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No. 27,357 Wednesday September 14 1977

مكتبات الأصيل

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LAYS SUMMARY

Equities near peak with 11.4 rise

Equities rose as profit-taking gave way to renewed demand, with the stock market mood buoyed by optimism about today's trade figures. The FT 30-Share Index gained 11.4 to 533.7, its highest since August 16, 1972 and only 7.9 below the all-time peak.



STERLING gained 3 points against the dollar to \$1.7435, but its trade-weighted index was unchanged at 62.4. Dollar's trade-weighted depreciation widened to 0.64 (0.57) per cent.

U.S. TREASURY Bill rates at this week's auction: three 5.587 (5.554), six 6.028 (5.885) per cent.

U.S. RATIFICATION of the double tax treaty with Britain has been delayed for a further two weeks.

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Ericsson beats ITT to £320m. Australia contract

BY KENNETH RANDALL: CANBERRA, Sept. 13

L. M. Ericsson of Sweden has won the Australian Government's contract for a new generation of computer-controlled telephone exchanges against intense competition from the local subsidiary of ITT, the U.S. multinational.

Confirmation of this order, Australia under licence, with at least 80 per cent. Australian content as volume increases in the early 1980s.

STC hit Mr. Allen Deegan, STC's chairman, said tonight that he was "naturally most disappointed" at the Government's decision.

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Access to cut interest to 1 1/4%

BY MICHAEL BLANDEN

ACCESS, one of the two big bank credit cards, is bringing the interest rate on its loans down from 2 per cent. a month to 1 1/4 per cent. from the beginning of October.

Lower The group says that when allowance is made for the free credit period on the card, which varies between 25 and 35 days, actual borrowing costs will be much lower.

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Industrial output down on year ago

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

INDUSTRIAL production has continued to decline in recent months and now stands at a lower level than a year ago.

The Central Statistical Office announced yesterday that the average level of industrial output between May and July was 1.3 per cent. below that in the previous three months and about 1.9 per cent. lower than in the same period of 1976.

The decline was even more marked in manufacturing where production was 2.3 per cent. down on a three-month comparison.

The official view is that while the figures are undoubtedly disappointing, the low point for output could now have been passed.

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No British withdrawal from Ulster—Mason

BY GILES MERRITT IN BELFAST

MR. ROY MASON, Northern Ireland Secretary, said yesterday that the myth of British withdrawal is dead for ever.

On the first anniversary of his arrival in Ulster, he went on to say that the administrative devolution which has been widely discussed recently as an interim step towards devolved power-sharing is also a dead letter.

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Labour may lose office in Norway after late recount

OSLO, Sept. 13.

A CHANGE of Government seems likely in Norway after a late recount of the results of the general election on September 13.

The Labour Party, which has ruled with only 62 of the 155 seats in the Storting (Parliament) since the last general election in 1973, made spectacular gains in yesterday's elections.

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THE LEX... Sir James... the... Yougha... de plea... orobe... ski dies... ICE CHANGES YESTERDAY... COMPANIES... FALLS

Table with 2 columns: Features and Values. Includes U.S. economic policy, Jersey's religious yards, FT SURVEYS, Catering equipment.

Table with 2 columns: On Other Pages and Values. Includes Lex, World Trade News, Yachting, Interim Statements, BSR Ltd, Barton and Sons, British Mohair, McPherson Ceramics, Annual Statements, Int'l Timber Corp, WIM Holidays, East London Rates.

Advertisement for 'ONCE YOU'RE IN TUNE YOU HAVE TO HARMONIZE' featuring a piano and text about harmonizing with the times.

LOMBARD

Giving voice to a bad abuse

BY SAMUEL BRITTON

HOW WOULD YOU like to find a note tugging you that unless your telephone bill is paid within seven days, you shall be obliged to disconnect your telephone. Should you pay after that, there may be some delay before your line can be reconnected and you will be charged a reconnection fee. You would remain liable for rental during a period of the connection.

Notices

Obviously the Post Office cannot grant indefinite credit. But these "final notices" or threats go out without any prior warning about non-payment. A default message would be sent after a certain period has to suspend a customer's account. But can you imagine a threat being put into operation without a polite reminder first and in the case of the better states an attempt to contact the customer?

All this is bad enough. But when a threat of disconnection is made, as it was in my case, nine days after my bill had been paid—and paid with some promptness—this is a clear case of abuse of monopoly power. The combination of bullying and incompetence is particularly intolerable. The customer is threatened with major personal inconvenience if there has been a minor oversight on his part. But the Post Office cannot make get away with such overreights, it can "punish" the customer for them.

My own telephone bill was sent out from the computer centre on July 20, according to the London Finance. The earliest I could have received it was July 21. My cheque was sent on August 7—a delay of just over two weeks. According to the Controller, the payment was "processed" by the computer on August 12, too late to prevent the threat from being sent on August 15.

I wanted to telephone to say that I had paid. But no number appeared on the notice, although later I learned that a telephone number (01-734 8422) lay concealed within the cryptic reference "0017348422".

The invitation to disregard the notice if I had paid within 10 days was of little consolation. There could have been an oversight on the part of the Post

GARDENS TO-DAY

What to expect on a warm, wet and acid soil

BY ROBIN LANE FOX

VISITING THE coastal gardens of North Wales, I can see why Dutch Elm disease has not taken the country in a week of national mourning. The hedges are packed up wherever they lean forwards in a Wordsworthian way out of the large boulders on steep banks, missing the rains, I suspect, which would usually have kept them down. The autumn gales are too late to revive them. But elsewhere, all is green and leafy. There are oak woods without the patronage of large and provident landowners. There are willows, chestnuts and silver poplars and not a single dead elm in sight. Too many saplings compete for the light. Holm-oaks soon out-grow humans and from time to time there are truly awesome planes.

Nevertheless, I would not wish to move my garden onto this warm, wet, acid soil. There would be azaleas, camellias and rhododendrons. I would be excited by Pieris Wakehurstii and especially by Embotrium in the Norkinquo Valley. There are also many other plants at once if you live in these conditions and are without it. Potatoes of Woodbridge, Suffolk, supply good plants of it and point out, aptly, that it could be grown against a wall. In late May it covered in bright flame-orange flowers, like specter-like honeysuckle. Allow about seven feet up and five feet across and hope that you are not blown back by cold spring winds.

Shaded

It is one of the most marvelous of the shrubs from Chile which reached the favoured British gardens through skilled collectors earlier in the century. I have never seen it in London. It has a vision of Northcote Valley, somewhere far beyond the last blue mountain, red with this Chilean Firebush as you emerge into it from the sort of smokes which hang from trees. Carry on in Chile and give this Embotrium a go in S.W.V.

Emulate

I have, however, seen a hydrangea grown in an unexpected way which I intend to emulate. Small trees or tall shrubs, which flower impressively in late summer, are a natural part of our gardens. What though, of a hydrangea, grown up as a semi-standard tree? It does not mean a mop-head nor a lace-cap but the neglected wild Hydrangea paniculata grandiflora. If you see them anywhere, it is usually a six foot high shrub whose thin stems end in long plumes of cream-white flowers, like a coarse Hlacc. But

it has also been sold, I now see, as a semi-standard, grafted onto a stock so that it will grow up into a broad-headed tree some nine feet tall. It flowers abundantly at this height and is extremely enviable. I have not yet tracked it to a nurseryman and wonder whether it could be coaxed up to such a height by removing all side-shoots and buds off a main stem until it was tall enough to be allowed a head. That might take a while, so if you can persuade a local nursery to graft one for you, you would be better served.

Happiest

There are many possibilities with shrubs grown as semi-standards. At this season, the buddleia is an interesting choice for a slightly formal setting. Take a good one, like the grey leaved and lavender flowered Fallowiana Lochinch. Cut off all side shoots until, after a year or so, you have a trunk clear above the ground, three feet or so high. Then allow it to spread as usual, trimming it back in late April every year. If you do not allow the top branches to become too thick, you will end up with a remarkable "tree" in a late summer garden. Some years ago I planted a group of such buddleias in a formal walled garden round an entertaining owner's swimming pool. Well pruned and thinned, they are now a remarkable sight in high summer, sheltered from the wind and alive with butterflies which love the sticky scent on their long flowers.

Buddleias, however, do not require a garden on a warm coast. They are plants for those of us on lime inland, like the pinks, syphilophila and early Michaelmas daisies, the boheria, evening primrose, shrub roses, phlox and agapanthus which are happiest in such dry and alkaline conditions. The dry climes and in late May, the buds are almost changed to the balance and in late May, I high season for alkaline, the acid gardens have it every time. But not even a tree hydrangea can quite make up for the relative dullness of a favoured early garden when the shrubs are out of flower in late summer and autumn.

RACING

BY DOMINIC WIGAN

Injection looks set for Beverley win

INJECTION, who followed up three second-place efforts by running a close third behind the trainer William Hastings-Bass, saw his Verbatim gelding Now Cresta at Warwick last time out. Here this, fall by the minimum

On his previous trip to Winkford, the young Newmarket trainer, William Hastings-Bass, saw his Verbatim gelding Now Cresta at Warwick last time out. Here this, fall by the minimum

- BEVERLEY
3.15-Jameson
3.45-Injection\*\*
WINDSOR
3.15-Minnowe
4.15-Now Hear This\*
4.45-Master Craftsman
5.45-Military March
YARMOUTH
4.00-Port Ahoy
4.30-Fast Colour\*\*\*

Half an hour before the Wilbury Stakes it will be interesting to see if Mick Easterby can follow up his success last year with Lazenby in the Rafinora Sprint. This time he is represented by Zoroaster. Although he has chances, he is considered on some of his early form Zoroaster, a strong grey son of Zeddan, has consistently failed to impress since defeating Peranka at Doncaster in the spring. I would not care to support him until he shows signs of returning to form. A better proposition seems to be Jameson, who bids for the fifth success of his career this afternoon.

With the highly probable Arbusto a surprising absence from Yarmouth's Mumsie Stakes, I believe the way will be clear for Fast Colour to reach a comfortable success. This Guard colt's two-length Big Champion Two-year-old Prix victory over Rastone now has to be a very smart display for the latter's third-place finish behind Music Maestro in the Flying Childers Stakes. Fast Colour, the mount Lester Piggott—who got home by a short head at a market in July—is given a 4/6 chance.

Radio Scotland head appointed

MR. JOHN PICKLES has been appointed to the new post of Head of BBC Radio Scotland. He will join BBC Scotland in the late autumn and will be responsible for doubling radio output in Scotland within a year. He will also take charge of the new Broadcasting Centre in Edinburgh when it is commissioned in 1980-81.

He is married to radio journalist Anne Brown, who used to present BBC Scotland's "Twelve Noon". The expansion of Radio Scotland is projected for the autumn of 1978, to take effect when a recent international agreement on radio frequencies comes into force. At that time the basic U.K. Radio 4 service and Scotland will become separate channels, each with its own transmitters in Scotland. Output by Radio Scotland is expected to increase from 80 hours a week by the end of 1978 and to increase further to 120 hours a week by 1980.

TV series cost £1m

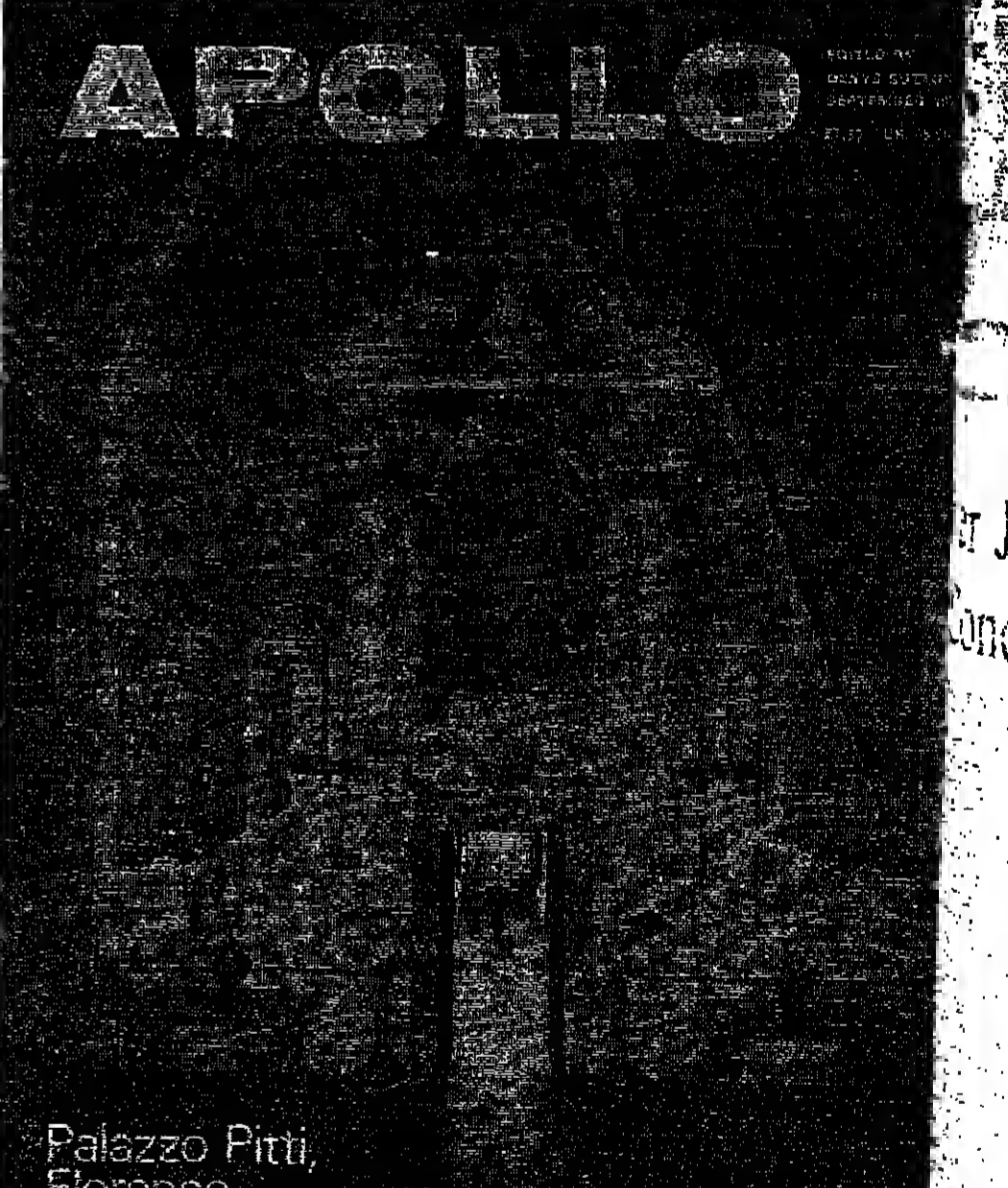
WHEN THE BBC asked Ronald Eyre to make The Long Search it turned out to be just that. The series of programmes took four years, he travelled 150,000 miles in 20 countries, and it cost nearly £1m. The result is a series of 13 programmes starting on BBC2 next week, which follow Mr. Eyre's quest for the truth about the Loog Search in Northern Ireland.

TV Radio

Table listing TV and radio programmes with times and channels. Includes BBC 1, 2, and 3 programmes.

Table listing TV and radio programmes for various regions like Scotland, Northern Ireland, and the South.

Table listing TV and radio programmes for regions like the Midlands, South West, and Southern.



F.T. CROSSWORD PUZZLE No. 3,466

Crossword puzzle grid with numbered squares for clues.

Table listing TV and radio programmes for regions like the Midlands, South West, and Southern.

Table listing TV and radio programmes for regions like the Midlands, South West, and Southern.

ACROSS and DOWN crossword clues and solutions. Includes a solution to puzzle No. 3,465.

Table listing TV and radio programmes for regions like the Midlands, South West, and Southern.

Table listing TV and radio programmes for regions like the Midlands, South West, and Southern.

PALAZZO PITTÌ, FLORENCE advertisement text and contact information.

Handwritten note: 'Joy, in it to'

# Tendencies of the Twenties

by WILLIAM PACKER

Council of Europe's last Orangerie of the Charlottenberg art exhibition, "The Age Palace. Classicism" was held here in the autumn of 1972; with the heroic age of the School of Berlin's particular, much on individual achievement in the series has just been rather slow to recognise the under the collective label true importance of the work of the Twenties, this period, which ramified so far, remains on view until richly and inconceivably abroad. It is a most ambitious king, for its subject is seen in context. The balance has been corrected somewhat in recent years, perhaps even a shade too energetically at times, and the field now teems with enthusiastic and ambitious young scholars.

we are ever likely to see, taking us from the period just before the Great War through to the early 30s. First we are given the initial phase, up to 1918 or so, the foundations for this most theoretical and speculative of movements as they were laid in separate Europe, centres: Cubists in Paris, Futurists in Milan, Vorticists in London, Malevich in Russia, Mondrian in Holland. At the very start the debt to the immediately preceding movements, to the Secessionists and Art Nouveau, that played such importance on the interdependence, indeed their equality with the Arts, is tactfully, if too briefly acknowledged. But throughout these huge shows the same complaint may legitimately be made: which is perhaps merely a function of their size and an indication of their definitive hopes, and thus a kind of compliment.

rosy sirens fed on deaf ears: the great constructivist monuments were never built (there were excellent reconstructions of projects by Sternberg, and a large model of Tatlin's tower to the Third International dominates the entrance to the exhibition); and the artists drifted into exile.



Adolf Loos: Plan for the Chicago Tribune Building, 1922.

Such new-found excitement, and the freshness of the attitudes that go with it, are evident in all these shows. Everywhere is an abundance of documentation and social reference: it seems at times that the whole thing might just as well be called a social history of the Weimar Republic and the rise of Hitler. Constantly we are referred between the sections, often unexpectedly as new points are made in the argument, down the subject into and not always intentionally, I think, the subject itself. The subject has the distinct and major uncomfortable and fascinating now spread across the categories devised for it. (far there are endless chosen by different scholars to demonstrate things.

But scholarship is not the Titanic, and the inability of its water-tight compartments to do their duty, at the New most rewarding feature of these up about by remarkable, extraordinary, or beautiful things. The full title of Part One is "From Constructivism to Concrete Art," as comprehensive an aggregation of this material as



## Notre-Dame de Paris

by CLEMENT CRISP

It was Jules Perrot who first saw the dance possibilities of Victor Hugo's novel *Notre-Dame de Paris*. His ballet, staged in 1844, was called *La Esmeralda*, and offered a ballerina role that was to invite great performers well into our present century. A new version simply called *Esmeralda*, was staged by Festival Ballet during the 1950s, and proved totally unmemorable save, once again, for the ballerina role as tremendously danced by Toumanova.

Roland Petit's production, receiving its first London performance by the Ballets de Marseille on Monday, adopts the novel's title, and here lies the crucial difference. Petit is less concerned with the gypsy girl, loved by Canon Frolo, lovingly by Quasimodo, and finally unjustly hanged — a lightning tour of the plot — than with the brooding presence of the cathedral itself and with the luncheon. And despite the fact that René Frollo by the great ball that dominates Act 2, *Notre Dame* is constantly evoked by the action of the ballet.

It is an uneven piece, but like Grigorovich's historical frescoes (*Spartacus* and *Jean the Terrible*) *Notre-Dame de Paris* has a sense of theatre. *Notre-Dame* is not a good ballet, but it has moments so powerful, and so persuasive, that I would not have missed it for the world. Nor would I miss Rudy Bryans' tremendous, tragic incarnation of Quasimodo. Bryans, a darkly handsome and dramatic artist, gives a most touching performance. As Esmeralda Petit has invited Dominique Khalifouni, newest étoile at the Opéra, and she appears to brilliant if rather sophisticated effect. Denis Gano is the lyrical Phoebus, and Jean-Marc Torres the menacing Frollo: both quite excellent.

midway is in Venice for the week.

course in Art History Effe Robertsons of this could do well to take. It has been necessary points are made in the argument, down the subject into and not always intentionally, I think, the subject itself. The subject has the distinct and major uncomfortable and fascinating now spread across the categories devised for it. (far there are endless chosen by different scholars to demonstrate things.

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## Breezeblock Park

by B. A. YOUNG

married couples in a housing estate, and their television sets and their gossip. Betty and Syd, have a daughter, who on Christmas just, the men come from the pub, hours will emerge. After the Jean Richards) does not, and

they are both offstage at the end while the family, the closest shop of all, gathers round the television to play their home version of "New Faces." Mr. Russell, who can turn a funny joke with the best, is not the first young writer to believe that he is throwing new light on the conflict between parents' standards and children's; nor is he the first to leave the problem untouched by his illumination of it. He is however, exceptional in allowing a really moving plea for the meaningful criteria of the intellectual adult in an interesting speech for Betty, who claims that an occasional bargain in the supermarket is all that keeps her from cutting her throat.

Wendy Geig, Eileen Kennally, Emma Jean Richards and Norman Rossington

Leonard Burt

## Silver Jubilee Concert

Elizabeth National Opera Grimes, sturdily abaped by celebrated the Silver Charles Groves — the Storm was in a concert very different ferocious — the orchestra, the usual programme by now assembled on stage, well-plums, offered on comed Reginald Goodall to conduct the Dawn Music, the quest for Siegfried and Brinnhilde, Britten's arrangement and the Rhine Journey from Act I of the evening's *Albino Remedios* and Rita Hunter were there to sing their usual roles.

## Rituel

by MAX LOPPERT

A feature of all Pierre immediately perceptible simplicity a quality not in itself necessary more or less admirable than the complexity of earlier works, but moving in this context because of the directness with which a musical world makes its impact. For the first time in a Boulez work we feel a sense of communion with past music, a sense of shared traditions — not only with the Stravinsky Symphonies of Wind Instruments, the acknowledged "father" work but with, among others, Bartok's Concerto for

## Soho Poly News

Philip, in Brian Phelao's lunchtime play, has thrown up an executive position in industry in order to suffer keenly the world's disasters of famine, poverty and violence. Casting himself as his brother's keeper, he sits huddled in a sparsely furnished room, worrying over whether (not what) to eat. His marriage finally breaks down when he tells his wife that he will not co-operate with her in bringing a baby into such a world as this. He agonises over a little warmth from a gas heater, blessing his shredded sensibilities with non-stop news items on radio and television.

## The Entertainment Guide is on Page 32

Orchestra, (in the subordinate groupings of instruments, including along against percussion) and Varese's *Arcana* (in the disruptive, independent percussive outbursts rattling out in the final section). All three are works Boulez and the BBC Symphony Orchestra have often played superbly; so there was a bang ground for Monday night's finely prepared, controlled and undertaken reading of *Rituel*.



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TAPES Talk Business

MICHAEL COVENEY Boulez remains!

EUROPEAN NEWS

EEC approves 5% green krone devaluation

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRITAIN today joined its EEC partners in approving a 5 per cent devaluation of the Danish green krone after Mr. John Silkin, the Agriculture Minister, won a promise from the European Commission to study proposals for changing the method of calculating Common Market subsidies on exports of pigs and pig products.

Battle joined over Community Budget

BY ROBERT MAUTHNER

LUXEMBOURG, Sept. 13.

BATTLE WAS JOINED today for what promises to be a fierce — if familiar — tussle over the 1978 EEC Budget between an expansion-minded Commission and European Parliament, and autonomous Council of Ministers.

In a powerful speech to the Parliament here, Mr. Roy Jenkins, the Commission's President, condemned the cuts of 782m. units of account (U.A.) inflicted on the original draft as "undiscriminating, illogical and unacceptable."

BRUSSELS, Sept. 13.

Monetary Compensatory Amounts (MCA), to 67 per cent of the EEC "base" price for pigmeat from 85 per cent at present. This would reduce the competitive advantage enjoyed by Danish exporters on the U.K. market, which has been blamed on Britain for contributing to the recent difficulties of domestic pig breeders.

The EEC Agriculture Commissioner, Mr. Finn-Olav Gundelach, said that the British demands would be examined as part of a broader package of proposals which the Commission is now drawing up for a reform of the MCA system.

The adjustment of the green krone, the artificial currency used in farm trade, was sought by the Danish Government after the general mood of the assembly was one of acquiescence but was debating proposals which might help the Nine tackle the real problems confronting them.

Instead, the Council had cut back on the very areas which affected employment and investment. The cost of agricultural support for 1978 remained higher than the Commission felt it either should or needed to be.

A German Liberal MP, Herr Martin Bangemann, summed up the general mood by accusing member Governments of defeatism and of being "prisoners of the past."



Princess Ashraf Pahlavi

SHAH OF IRAN'S TWIN SISTER ATTACKED IN SOUTH OF FRANCE

Princess escapes assassination

THE SHAH OF IRAN'S twin sister, Princess Ashraf Pahlavi, escaped unhurt early yesterday when would-be assassins ambushed her car as she returned to her villa in Juan-les-Pins on the French Riviera. Police said the gunmen killed a woman companion of Princess Ashraf, 37, in the 5 a.m. attack on the women as they were returning from a roulette game in Cannes at the Palm Beach casino.

A blue Peugeot 904 blocked the road near her villa, called Les Pieds dans l'Eau, firing the royal bulletproof car to a stop. Four gunmen jumped out of the Peugeot and opened fire. Police said seven Colt 7.65 mm bullets tore into the Rolls-Royce. Hit in the head and killed was Madame Feroz-Kaydar, 63, an Iranian woman of French origin. She was sitting in the front passenger seat.

Princess Ashraf is said by commentators on Iranian affairs to wield political power. She is one of few people closely trusted by the Shah.

Princess Ashraf is said to be a much-travelled diplomatist and ardent advocate of women's rights. She served as president of the U.N. Human Rights Commission, and grabbed the limelight at the U.N. Women's year conference in Mexico City in 1975 when she donated \$600,000 from her personal fortune to the cause of women's rights.

Barre to sound out Carter on Concorde

BY ROBERT MAUTHNER

PARIS, Sept. 13.

M. RAYMOND BARRE, the French Prime Minister, will leave here tomorrow for a three-day visit to the U.S. during which he will press the French and British case for landing rights for Concorde at New York's Kennedy Airport.

The Prime Minister will be flying to Washington in Concorde to symbolise the great importance the French Government attaches to this problem, which President Giscard d'Estaing has said could lead to a deterioration

which supersonic services could one day become profitable.

Important as it is, the Concorde problem will be only one of many items on the agenda of the talks between M. Barre and President Carter and other leading members of the U.S. Administration, including the Secretary of State, Mr. Cyrus Vance.

French officials were at pains to stress today that it would not be given preference over such important matters as the world economic and trade situation, nuclear problems and the international energy outlook.

The U.S. President and M. Barre will review the whole range of problems discussed at the London economic summit of the seven major Western industrialised nations last May.

M. Barre will give a first hand report on the U.S. economic situation by President Carter and other high U.S. officials and will exchange views on the prospects for the world economy during the coming months. The French Government, which is faced with a vital general election in the Spring of next year, is still hoping that a stimulus will be given to its own economy by the economically stronger West Germany and Japan.

The French Prime Minister is expected, in particular, to voice the French Government's worries about the competition faced by the Western industrialised countries from low-wage producers in the Far East and to suggest a number of protective measures.

President Carter, for his part, will try to persuade the French Government to take even stricter measures than hitherto to ban the export to non-nuclear nations of nuclear equipment which can be used for the manufacture of atomic weapons.

Anglo-Italian talks on terrorism

BY DOMINICK J. COYLE

ROME, Sept. 13.

ANGLO-ITALIAN plans to combat terrorism as part of a concerted move by interior Ministers of the EEC are to be discussed here later this week by the British home secretary, Mr. Merlyn Rees, and his Italian opposite number, Prof Francesco Cossiga. Mr. Rees is due to arrive in Rome tomorrow evening.

While Interpol continues to provide an international network for co-ordinating police activities in member countries, police forces in Italy and Britain have established their own bilateral security arrangements, which the two ministers are expected to review in their talks.

Both countries in recent years partly because of historical reasons to do with the period

of fascism is that most of its political violence stems from the political Right, although the evidence suggests that this popularity for the demagogic leader has borne out by the facts. Indeed, of late there has been evidence of a resurgence of Mafia-type violence, particularly in the economically depressed southern part of the country.

This is the growing evidence of direct British involvement in crime in Britain, and Mr. Rees is likely to want to explore the possibility of an even further improvement in liaison between police forces in the two countries in this regard. The Italian on the other hand, while also witnessing a rise in ordinary crime, are particularly concerned just now the increase in what is known as the "crime of the Prime Minister," the Prime Minister, has referred to as an increasing rate of politically motivated violence.

The general consensus here

is that most of its political violence stems from the political Right, although the evidence suggests that this popularity for the demagogic leader has borne out by the facts. Indeed, of late there has been evidence of a resurgence of Mafia-type violence, particularly in the economically depressed southern part of the country.

This has taken the form of an even further increase in the incidents of kidnapings and of criminal extortion.

It is now almost one year since the EEC agreed at the level of interior Ministers to try and improve co-ordination on security, as between member countries, against this background the British home secretary is visiting Rome this week.

Transocean Gulf Oil Company

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NOTICE IS HEREBY given, pursuant to the provisions of the Indenture dated as of October 15, 1976, under which the above-named Company has issued \$20,000,000 aggregate principal amount of such Debentures of the following distinctive numbers has been selected for redemption on October 15, 1977 (hereinafter referred to as the redemption date):

Table with columns for Debenture Number, Par Value, and Maturity Date. The table lists numerous individual debentures for redemption.

The Debentures specified above are to be redeemed for the Sinking Fund (a) at the WGC-Corporate Bond Services Department of Citibank, N.A. (formerly First National City Bank), Trustee under the Indenture referred to above, No. 111 Wall Street, in the Borough of Manhattan, City of New York, or (b) subject to any laws or regulations applicable thereto, at the main office of Citibank, N.A. in Amsterdam, Frankfurt, London, Luxembourg, Madrid, Milan, Paris, Rome and Zurich.

September 14, 1977. Transocean Gulf Oil Company

in relations between the two countries if it is not satisfactorily solved.

M. Barre, who will have two rounds of talks with President Carter as well as a working dinner at the White House, will sound out the U.S. President about reports that the administration is considering a scheme to allow Concorde landing rights in at least 10 other American cities.

Although this would be welcomed by the French, they are not prepared to accept such a plan as an alternative to landing rights at New York, which is considered to be the only way in

French employers and the social security organisations filed a bill of Frs.250m. (about £3m.) every year because of worker absenteeism, according to a Finance Ministry study published yesterday, reports A.P.D.J. The survey says that 380m. work-days are lost annually, 100 times more than the number lost through strikes. The study suggests measures to include increased controls on workers who are given sick leave and the use of data-processing equipment to find malingers.

One effect of this change, due to be introduced next year, would be to alter significantly the presentation of the way in which different countries benefit from MCAs. Thus, Germany, with a strong currency, would be shown to be a much larger beneficiary than at present, while the amount of MCAs going to weak currency countries like Britain and Italy would appear as much reduced.

This new accounting system could have important political repercussions, since there is likely to be resentment among the poorer members of the EEC at the size of the subsidies which Germany would suddenly be shown to be receiving. It is results in a curtailment of MCA payments to Germany, its Government could find itself pressing for higher farm prices to maintain its farmers' incomes.

of the EEC "base" price for pigmeat from 85 per cent at present. This would reduce the competitive advantage enjoyed by Danish exporters on the U.K. market, which has been blamed on Britain for contributing to the recent difficulties of domestic pig breeders.

The EEC Agriculture Commissioner, Mr. Finn-Olav Gundelach, said that the British demands would be examined as part of a broader package of proposals which the Commission is now drawing up for a reform of the MCA system.

The adjustment of the green krone, the artificial currency used in farm trade, was sought by the Danish Government after the general mood of the assembly was one of acquiescence but was debating proposals which might help the Nine tackle the real problems confronting them.

Instead, the Council had cut back on the very areas which affected employment and investment. The cost of agricultural support for 1978 remained higher than the Commission felt it either should or needed to be.

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Advertisement for Victor Britain Chauffeur Drive Service. Text includes: 'For the most luxurious Chauffeur Drive Service in Great Britain', 'ring 01-262 3134 and ask for Victor Britain', and 'Victor Britain is the chauffeur drive service of Avis Rent a Car.'

Advertisement for Bank of Baroda. Text includes: 'Base Rate Australia and New Zealand Banking Group Limited announce that on and after 13th September 1977 its BASE RATE will be 7% per annum.', 'AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED', and '71 Cornhill, London EC3V 3PR Tel: 01-623 7111'.

Advertisement for Bank of Baroda. Text includes: 'Base Rate Change', 'BANK OF BARODA', 'Bank of Baroda announce that for balances in their books on and after 14th September, 1977, and until further notice their Base Rate for lending is 7 1/2% per annum. The deposit rate on all monies subject to seven days' notice of withdrawal is 3 1/2% per annum.'

Advertisement for Deposit rates cut in Italy. Text includes: 'Italy's largest banks have agreed to cut deposit rates by 1.25 percentage points for large depositors and by one point on other deposits, banking sources have said in Rome, Reuter reports.', 'The maximum rate paid on deposits will be 13.5 per cent, down from 14.75 per cent, and other deposit rates are being reduced by one point. The decision follows the recent 1.5 point cut in bank rate to 11.5 per cent, and the reduction and unification of prime rate at 17 per cent, down from 18 per cent, and 18.5 per cent on a split basis according to guarantees.'

Advertisement for Russian observers. Text includes: 'The Soviet Union has for the first time accepted an invitation to send an observer to NATO military exercises, the Danish Defence Ministry announced yesterday, Reuter reports from Copenhagen.', 'A Ministry spokesman said that the Soviet Union had informed the Danish authorities that it will send its Copenhagen-based military attaché to the current exercises in Denmark.'

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EUROPEAN NEWS

East Germans fully intend to make another spectacular impact on the 1980 Olympic games in Moscow, and almost certainly will succeed, Leslie Colitt describes the...

Rise and rise of the GDR sportwunder

GERMANY is determined with unusual ability are often its second place at last given a special coaching until Olympic Games, and per-an to draw closer to the chosen to attend a special sport Union, at the 1980 Moscow Olympic Games, for ex-mples. In Montreal, the GDR's quadruple gold winner at Democratic Republic school, Kornelia Endar, the gold medals, six more the GDR's greatest athlete, for ex-ample, was a typical product of U.S. and its athletes the GDR's fine mesh talent Olympic records. At eight years old her swimming talents came to evidence that the East "sportwunder" rolls on the attention of the instructor en at the games staged in Leipzig for East Ger-om 10 to 70 years old. He recommended her to the Chemie sport club in Halle, the Los Angeles of top East German and three times as many swimmers. She commuted to us at the rear Olympi which she left at 12 to attend half the time. Ten the Halle sport school in an all from nearly 5m. Miss Enders' schoolchildren, ran, largely on producing a world and swim in the youth champion swimmer. side, which he held every East Germany's sport rests on with the gymnastics the foundations of the schools, festival and billed as but it is the sport clubs that est sporting event ever make up the superstructure. Two of the GDR. East Germans belong to the 8,000 clubs in the German Sport and East Germans living in der areas watched on the Gymnastics Federation of the GDR. Most of the clubs are the events live from sponsored by the Army and training its cameras on police, as well as factories, with ical leader, Herr Erich the sponsor providing most of to get his reaction. The money which is supplemented political chores in East by local and central Government grants. According to one estimate, stadium watching the GDR sport is subsidised by 20 Olympic winners perform. to DM4bn. (£1bn.) a year. All oass choreography in East Germans are eligible for membership, in one of the would have stirred the regional clubs and pay a monthly fee of DM1.50 (25p) which often with 160,000 taking allows them certain leisure activ- the opening day cere- vities formerly reserved for the- gymnastic displays by the theletes, a 1,000 man well-to-do such as riding, tennis, and 2,000 singers, 3,000 and sailing. Few of the sport orches and much more clubs, however, can come close no lack of mammoth to East Berlin's Dynamo Club, productions in this part sponsored by the police and state- rid, but this one over- security services. anything seen in It has the most elaborate- ending in powerful facilities in the country. The- its producing a "light Dynamo sport forum covers 137- over the Leipzig sta- acres and includes a football- a sort that many of the stadium to hold 35,000 specta- over 40 recalled from- tors. Three practice fields, two- youth. indoor ice rinks, an ice skating- sorting events them- speed track, large and small- ne as a revelation to track and fields, arenas, indoor- he 140 foreign guests, and outdoor Olympic pools, diving- members of the Inter- platforms, jumping pits, boxing- and national Olympic rines and volleyball courts. s. A number had the for fencing practice, and still- ing to discover the another for fencing competition, and Mr. Arne B. Mol- Enrolment is the very latest and- ot of the Norwegian best available, with price po- com- mittee, summed up sideration. Even for a Westerner it was- lusions. convinced that this difficult to remain unaffected by- universal pursuit of the sheer scale of the Leipzig- its achievements pro- sport spectacular. Some scoffed- ally that leads to the thousands of card-flashing- athletics. When a Leipziger in the stadium pro- cears: two metres ducing one giant slogan after the- metres in the high other such as "long live our- clearly explains the GDR." "The GDR, our father- international athletic land," and "Our thanks to the- the GDR. (Communist Party). Others decried the athletes oath- port in the GDR be- pleasing their "entire strength- seven-year-olds who fulfilling the resolutions of- two hours of physical the ninth party congress of the- a week with Instruc- socialist unity party of Ger- ning, jumping, throw- many." But one could not help- istic gymnastics. Swim- noticing that the young East Ger- added the following mans, earnest as they appeared,- the (time pupils are seemed to thrive on this kind of- t specialised instruc- high pressure competition. tialyball. Children



Gerhard Braun, 69, and 10-year-old pupil Marie, were the oldest and youngest competitors respectively in one 10-kilometre race organised in Berlin.

Demand for cars 'will remain strong'

BY STUART ALEXANDER AND GUY HAWTIN

FRANKFURT, Sept. 13.

AN INCREASE of 5 per cent. in European car sales by 1982 was forecast here today by Mr. H. A. Poling, Chairman of Ford Motor Conference, organised by the Financial Times and Automotive News, the U.S.-based motor industry journal, that Europe's love affair with the motor car was likely to continue with more two-car families and total sales pushing up to 12m. a year. His speech contrasted with a contention made the previous day that Europe's car industry had entered a critically difficult phase. Mr. Michael Hinkes-Edwards of the economic research department of Eurofinance said the industry was threatened by the conflicting needs of employment, productivity and over-capacity. He thought the market might experience a low growth rate while European-based manufacturers would continue to be threatened by the Japanese. Mr. Poling, however, argued that there would be a continued input at the bottom end of the market as more people became able to afford cars, and previously less well-off countries like Spain joined the car buying community. He forecast that Western Europe's gross national product would grow by 4 per cent. a year in real terms up to 1985. Car ownership had grown from 73 per thousand for the population in 1972 to over 250 in 1976. But this, he said, was still well behind the 434 per thousand of the U.S., which had achieved Europe's 1976 figure in 1953. And while around 10 per cent. of British, French and German homes were now two-car owners, the figure in the U.S. was nearer 33 per cent. He believed that European demand for private transport would remain strong with statistics currently showing that over 80 per cent. of travel miles in Britain, Germany and Italy were covered in cars. While there would continue to be some development of power train assemblies developed by one car manufacturer, this could even extend to engines and gearboxes as well as axles. Mr. Rolf Faumann general manager of Deutsche BP, coupled a forecast of a rosy future for diesel-powered motor cars with Diesel for higher oil prices. Diesel-powered car, he said, should increase their market share "thanks to their better environmental capacity and their higher degree of efficiency compared with the spark igniting engines." There was no escaping the fact that, although many people were fooled by the current surplus, oil was becoming an increasingly scarce commodity. Oil companies needed to invest heavily to develop new sources of energy but, he said, in Europe "our present proceeds are not adequate." Mr. Faumann, who endorsed President Carter's energy policy, said the long term energy substitutes for petroleum 20 per cent. of the company's earnings. In addition to industry, the Federal Government was among its customers and the centre undertook research on behalf of foreign Governments as well as To satisfy the growing future



Spanish unionists put demands to Government

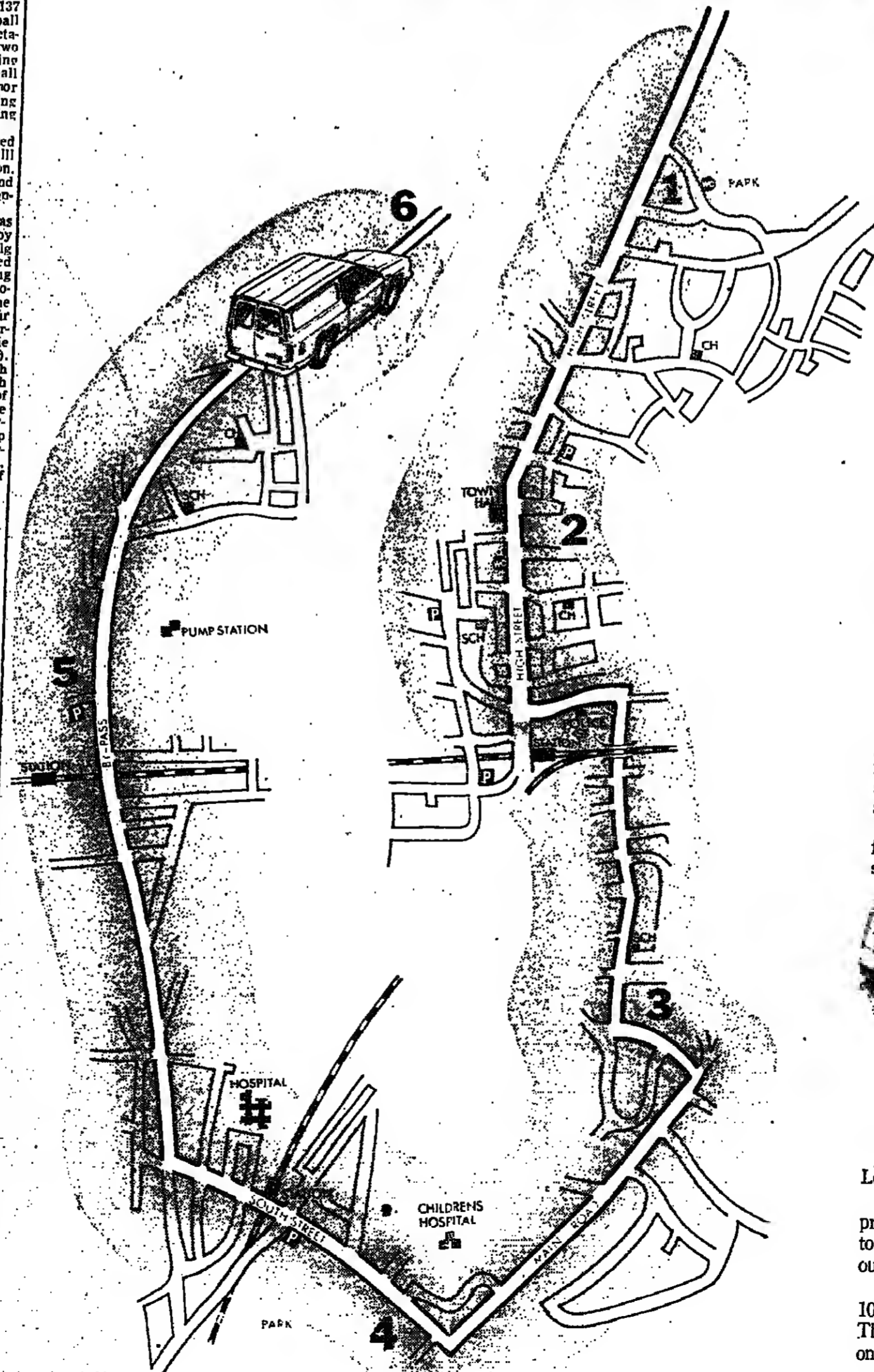
IA SMITH MADRID, Sept. 13.

Trade unionists were seeking compensation. The Unionists sought the Government's revocation of a royal draft package of law passed last March which allowed lock-outs in labour relations. It was clear that if response to strikes and dismissal not met they will in consequence of the professional capacity and the moderation of requirements of a company "a loosely worded clause that, the unions feel, allows for excessively broad interpretation. The Government of Premier Adolfo Suarez hopes that the unions, who claim their membership now exceeds 20 per cent of Spain's labour force, will agree to a maximum 1977 wage rise of 17 per cent. The last official increase, in April, gave a daily minimum of 450 pesetas (about £3.03), 14.5 per cent more than in October, 1976. The unions want a new monthly minimum of 25,000 present figure and roughly equivalent to the current monthly average. A new increase is expected to be decreed on October 1 as part of the routine six monthly review. Hints have been given this week that it will be about 80 pesetas (about 40p), just under 14 per cent, higher than the current minimum. Meanwhile, a split has occurred in Union of Socialist Workers (USO), which is backed by a federation of small regional socialist parties generally more left-wing than the Spanish Workers Party (PSOE), the runner-up in the June General Election. Eleven USOs' 24-man management have reflected their colleagues' proposals to merge with the General Union of Workers (UGT), the powerful PSOE's union federation. The dissidents claim that 70 per cent. of their membership supports this rejection. The split comes at an awkward time when unions, despite considerable political differences, are striving to present a credible united front to the Government and persuade membership and potential recruits that they have valid bargaining powers.

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On an urban delivery route, making two stops every mile, "Truck" Magazine road testers found that the Leyland 10cwt van recorded almost 3 mpg more than its nearest popular rival: the Ford Escort 45.

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That's 16 cubic feet, or five average grocery cartons, more than the Ford Escort.

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Together with its extra MPG, the extra capacity of the Leyland light van should cut your running costs considerably. Especially when you consider the number of vans in your fleet.

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The fact is the Leyland actually costs less than many of its rivals—even those smaller in engine size and carrying capacity.

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Nobody else has enough faith in their product to give you a year's free, no-mileage limit warranty (including free labour and parts), a year's free AA relay recovery service (UK mainland only) a year's free roadside assistance from the AA, and a free 69 point pre-sale check.

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In a "Commercial Motor" magazine survey, the Leyland 7 to 10cwt range came top in "styling category."

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You can choose the 7cwt van with standard cab and 1098cc engine, or with de-luxe cab and 1275cc engine. The 10cwt van comes with de-luxe cab and 1275cc engine only. So does the 10cwt pick-up.

Write to Light Commercial Vehicle Sales, Sales & Marketing Division, Leyland Cars, Grosvenor House, Redditch, Worcestershire.

Leyland 7/10cwt vans & pick-up From Leyland Cars With Supercover.

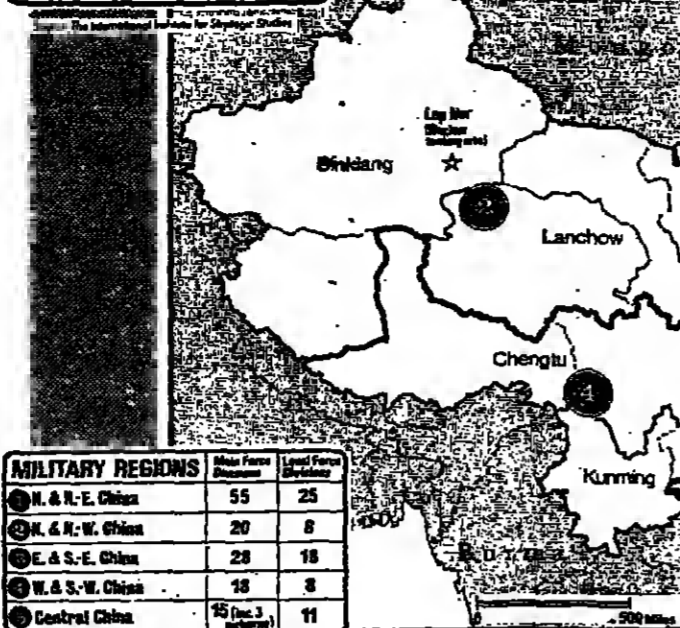
OVERSEAS NEWS

Black S. African leader's death provokes anger

BY QUENTIN PEEL JOHANNESBURG, Sept. 12.

STEVE BIKO, the founder of the South African Students Organisation (SASO), and one of the most important black political leaders in South Africa died last night in police detention. The brief police announcement... Mr. Biko aged 30, and a father of two, had been in detention since August 18. He was previously hounded and restricted to his home town of King Williams' Town in the Eastern Cape. He was also detained last year for 101 days during the disturbances in South Africa's black townships. His death brings to 19 the number of blacks who have died while being held without trial under the security laws since March last year. Seven were listed as suicide by banging and three as 'fell or jumped to death'.

CHINA'S MILITARY STRENGTH



Military voices in the corridors of power

BY COLINA MACDOUGALL

WHILE the corridors of power in Peking do not yet echo with the sound of jackboots (Chinese soldiers are more likely to be wearing traditional cloth slippers), the military are speaking up with an ever-louder voice for more modern weapons. The latest blast came in the September issue of the party journal Red Flag in a piece by members of the Military Academy of Science. This is one more in a long line of hints and statements to the same effect since Chairman Hua Kuo-feng took over last year. Pointedly, in the same Red Flag, Nieb Jung-chen, a senior general with an interest in technology and newly a member of the Politbureau, argued that doctrines should be interpreted in the light of everyday problems. Both the air force and naval chiefs are now on the all-powerful Politbureau as well as the army leaders. This is modified by the promotion of civilian technocrats (the ones to have lost out are the ideologues and the post-Cultural Revolution worker-peasant group, but nevertheless the row of military uniforms among the top people is impressive).

liquid fuel. These take some 36 hours to launch, solid-fuelled ones only a few minutes. Until the Chinese are able to develop a suitable solid fuel pack, their response to a nuclear threat is going to be slow. Chinese satellite technology, which originally burst upon an astonished world when its first shot played 'The East is Red' in orbit in 1970, has so far produced seven launches. It has improved to the point where the capsule, presumably with a store of information on Soviet troop dispositions, can be recovered. It can probably be compared to the Soviet Sputnik of the late 1950s. Adaptations But Peking has little between the missile and the well-motivated footsoldier. All kinds of hardware are seriously lacking. There are only an estimated 10,000 heavy, medium and light tanks, mainly old Soviet models and Chinese adaptations. Most of the artillery is also Soviet or Soviet-based, and includes howitzers and rocket-launchers, anti-tank guns and anti-aircraft guns. While the air force is one of the largest in the world with over 5,000 planes, they are mostly obsolete - Soviet models or Chinese copies. The navy is the poorer relation of the services since the Chinese do not see much Soviet threat

Economic planning takes the lead

By Colina MacDougall

THE IMPORTANCE of economic planning under the Chinese leadership has been underlined by the publication of a lengthy article by the State Planning Commission's chief minister in charge, Yu Chin-hu. Yu was promoted last month to the new PRC bureau and was former Petroleum Minister and a protégé of the late Premier Chou En-lai. The article, which comments on the anniversary of the death of Chairman Mao but its significance lies in its prominence, indirectly gives to Chinese planners like Yu and his staff. If the Chinese leadership seen as divided on how much of the national cake should be modernising the military, this article could be viewed as an argument for all-out economic growth. It is down the priorities as agriculture—light industry—heavy industry. The article, which comments on the anniversary of the death of Chairman Mao but its significance lies in its prominence, indirectly gives to Chinese planners like Yu and his staff. In its most important part, the article reiterates Chinese objectives. Agriculture must be mechanised, steel should be 'key link', and there should be a good balance between links in industry, starting with raw material, fuel and power. Railway construction also picked out as needing serious attention. In a discussion of the role of local and central power, the article says clearly that 'realisation must be except wherever possible and necessary' and that the central authorities should be planning, set major agricultural and industrial quotas, do major capital projects and handling of major commodity draw-up, the budget, currency, decide the number of new workers and wages policies. Local authorities, only act within the plans set by the centre, and any attempt to reduce the anarchy of recent years.

Palestinians welcome US line on MidEast peace

BY HSIAN HIJAZI BEIRUT, Sept. 13.

THERE HAS been positive Palestinian and Arab reaction to the announcement by the U.S. State Department yesterday that the Palestinians 'will be involved in the peace process' in the Middle East and be represented at the Geneva conference. Mr. Mahmoud Lohadi, the official spokesman of the PLO, called it a step in the right direction. 'We are delighted that the Carter Administration is not shirking its responsibility to the Israeli lobby,' he declared. The announcement is seen by Arab diplomats here as a return to moves by the Israeli government of Mr. Menachem Begin to retain the West Bank of the Jordan and to exclude the Palestinians from negotiations at Geneva. Washington's main objective, he said, is to break the deadlock about reconvening the

Zaire ex-minister given death sentence for treason

KINSHASA, Sept. 13.

MR. NGUZA KARLI-BOND, Zaire's former Foreign Minister, was sentenced to death here today by the State Security Court for high treason. Mr. Nguza, 39, was accused of failing to pass on to President Mobutu Sese Seko Nkomo Ngbendu Kabangu the information he received about plans to invade Zaire. The ex-minister, once regarded as a likely successor to the President, denied the charges. The court was told of a meeting in Brussels last January between Mr. Nguza and an exiled opposition leader. President Mobutu 'was likely to face nasty surprises in Shaba...' the disgraced Minister was alleged to have been told. In March, exiled opponents of the President invaded Zaire's Shaba province from Angola. Zaire troops, stiffened by 1,500 Moroccan flown in aboard French planes, threw back the invaders in 80 days. The Zaire news agency, Azapa, said Mr. Nguza could appeal to the Supreme Court or to the President against the death sentence. Reuter

Siad in talks with Saudis

BY JAMES BUXTON

PRESIDENT Siad Barre of Somalia held talks with Saudi Arabian officials in Riyadh yesterday, according to reports from Mogadishu. The Somali capital. Meanwhile, it was reported from Addis Ababa that a second heavy Somali assault on Jijiga, at the northern end of the Ogaden region, was still going on. President Siad's visit to Saudi Arabia comes at a critical time in the Ogaden war, now in its eighth week. The guerrillas of the Western Somali Liberation Front hold most of the region, but neither they nor the Somali regular forces, which Ethiopia alleges to be involved in the conflict, have succeeded in making a breakthrough by capturing any of the three towns. It is a much smaller population in the north of the region. An attempt to capture Jijiga at the beginning of the month was apparently beaten off by Ethiopian forces, who claim to have destroyed 72 Somali tanks. A fierce new battle appeared to be still in progress yesterday. The guerrillas of the Ethiopian homing attack on Hargeisa, the second largest city in Somalia, at the week-end have not been denied. If the war intensifies, it will strain the resources of both sides. Somalia, however, is probably more vulnerable since it has a much smaller population than Ethiopia.

Ratu Mara expected to win Fiji poll

BY DAI HAYWARD SUVA, Sept. 13.

A SOMEWHAT bewildered electorate in the Pacific island of Fiji begins a week of polling on Saturday for the second time in six months, after five months of minority government, bitter inter-candidate party controversy, frantic political fence-mending and many inter-changes of allegiances. The Alliance Party, led by the respected Ratu Sir Kamisese Mara, should win with a clear working majority. Ratu Mara has governed with a minority of 24 seats in the 52-seat parliament since the April election when the opposition National Federation Party (NFP) surprisingly won half the seats. This is unlikely to be repeated. Much of the lost support, particularly from the indigenous Fijian section of the population, will probably return sufficiently to the Ratu Mara an overall majority. The reasons for the loss of public support for the Alliance Party in April all had racial connotations. NFP candidates persuaded many voters in the Indian community that their grievances about education, taxes, and land were caused or aggravated by alleged opposition and anti-Indian sympathies in the Alliance Party. Secondly, the introduction of racialism into Fiji politics for the first time as a political force made a tremendous impact. A former cabinet minister, Mr. Sakeia Butadroka, who left the Alliance Party two years ago to form his own Fijian National Party, stamped the country in an anti-Indian crusade. His slogan, 'Fiji for the Fijians,' and claims that the economic problems and future of the Fijian ethnic group would be solved if the Indian half of the population, which has a tight grip on commerce, were deported, touched a sensitive chord in thousands of Fijians. This doctrine consolidated Indian voting strength behind the National Federation Party. Many Indians who had supported the multi-racial goals of the Alliance switched to the NFP, led by a 54-year-old lawyer, Mr. Sitioq Koya. The Alliance has launched a vigorous campaign, stressing its help for the Indian population, particularly in land tenancy laws. To the Fijian, land has a spiritual meaning. To safeguard against Fijians losing their hereditary land, the constitution prevents non-Fijians from acquiring land. But the Fijian is not by nature a farmer. That is why Indians were first introduced into Fiji in the last century to work

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER Survey of the NETHERLANDS to be published on Tuesday November 15 1977

The Financial Times is preparing to publish a survey on the Netherlands in its edition of November 15 1977. The main headings of the proposed editorial synopsis are set out below. INTRODUCTION: The Netherlands is one of the most advanced societies in Europe but still has its social problems; and the new Government will have to set about resolving them while at the same time seeking to improve the business climate. POLITICALS: An examination of the political situation following the May election, which produced a surprisingly large victory for the Labour Party of Mr. Joop den Uyl, the Prime Minister. THE ECONOMY: The economy is still strong, but recovery has been slow and unemployment is again rising. The Government is trying to curb the growth of public expenditure against a background of continuing anxiety over corporate profitability. EUROPEAN POLICY: Most Dutch people still see the best hope for the future in closer integration with neighbouring countries; support remains strong for economic, monetary and political union with the EEC. THIRD WORLD: The Netherlands is among the few western countries which have exceeded the United Nations' target of 0.7 per cent of GNP for official aid. IMMIGRANTS: The successful absorption of Indonesian immigrants gave the Netherlands a good image abroad, but the more recent arrival of many Surinamese, the recent dramatic events involving South Moluccan terrorists, and now the permanent group of foreign 'guest workers', have caused social strains. ENERGY: The Netherlands is a net energy exporter but the position will be reversed within the next five years as depletion of the Slochteren natural gas field continues. BANKING AND INSURANCE: In both sectors the process of internationalisation of activities has been a top priority, not least because of the relatively limited domestic market. CAPITAL MARKETS: The stock market, and the money and capital markets have been improving after a bad period, particularly during last summer when the guilder was under pressure. INDUSTRY: Shipbuilding and Offshore: Both sectors are due to be rationalised with State support because of the low level of orders. Steel: Short-time working continues, but the outlook is regarded as promising. Cars: Volvo has taken over DAF but is still having difficulty making it profitable; assembly by Ford is operating successfully. Construction: The domestic sector is short of orders but Dutch companies have won some major orders abroad. Aerospace: Hopes are pinned on participating in European projects; the industry has proposed plans for a new medium-haul airliner. Oil and Chemicals: This sector is doing better than most of the rest of Dutch industry; sizeable investments are planned. Engineering: The industry is suffering from high labour costs and is in the process of reorganisation. Textiles: Like most European textile industries the industry suffers from cheap imports and faces restructuring. Dairy Farming: The industry has a stable base and is concentrating on exports, particularly to the Middle East. THE MULTINATIONALS: The Netherlands-based multinationals continue to flourish despite mounting domestic criticism of their activities. TRANSPORT: The transport sector has grown very rapidly in the past decade, but the impact of reduced world trade is leading to reorganisation. AGRICULTURE: An examination of the state of Dutch agriculture regarded as being in an enviable position compared with the industry's experience in several other European countries; Dutch efforts to increase exports. REGIONAL DEVELOPMENT: Efforts to industrialise the areas outside the congested west of the country are concentrated mainly on the North (Groningen Province) and the South (Limburg). These efforts have met with mixed success. WELFARE STATE: Social expenditure has scarcely been affected by the economic downturn; but the burden may gradually become too heavy for the economy. LABOUR: Traditionally very good labour relations in the Netherlands have been under strain in the past few years. The unions want far-reaching social reforms in exchange for wage restraint. TOURISM: The flow of tourists has started to increase again but the country is not attracting the number it would like. The proposed publication date is November 15 1977. Copy date is October 25 1977. For full details of the synopsis and advertising rates contact: Richard Oliver, Deputy European Manager, Financial Times, Bracken House, 10 Cannon Street, London, EC4 4BY. Tel: 01-248 8800, ext. 7164. Telex: 855033 FINTIM G. FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER The content and publication date of surveys in the Financial Times are subject to change at the discretion of the Editor.

AMERICAN NEWS

Longshoremen's union and shippers to resume talks

STEWART FLEMING

NEW YORK, Sept. 13.

NEGOTIATIONS over a new contract for dock workers in the East are moving towards a phase as a strike deadline looms at the end of the month. International Longshoremen's Association which represents men who work the waterfront from Maine to Texas, is demanding an increase from \$3 to \$4 an hour in the basic wage and better job security provisions. The union also wants a fund which would pay dockers for a specific number of hours of work per year, or not work is available. Reports have suggested a recent meeting between the longshoremen and the Coastal North Atlantic Shipping Association, discussions broke down over the issue of job security. But an ILA spokesman denied that there had been a breakdown. He said that the union was unhappy about the wording in part of the job security section of the negotiating documents, and had asked employers to re-draft it. He added that the negotiators would discuss the issue to-morrow. The spokesman added that one potential problem in the discussions is the division of the cost of the job security proposal. It seems that employers in ports such as Boston, Providence (Rhode Island), Baltimore and Hampton Roads are worried that how soon a settlement might be reached.

General strike due to-day in Colombia

Intense military operations were being mounted in Colombia to combat the militant strikers called for to-day by the four main union federations. Sarita Kendall writes from Bogota. President Alfonso Lopez Michelsen has warned workers and employers that the strike would be illegal and that they would suffer the full penalty, including a possible six months in jail without trial for mere participation. The strike preparations represent a united front among opposition forces, with support for the unions' decision ranging from a Conservative Party newspaper and Liberal Party labour leaders to a guerrilla movement. Although less than a quarter of Colombian labour is unionised, labour representatives expect a much greater proportion of workers to take part in the strike. Cost living increases of 30 per cent for the first eight months of the year have brought widespread protests, accompanied by strikes in key sectors, against the Lopez Administration. The unions are now asking for a 50 per cent pay rise. Other demands include the lifting of martial law and the right to unbinded union organisation. Political demonstrations have been banned since September 5, in spite of the fact that Presidential candidates have already begun campaigning for elections in 1978, and radio and television are prohibited from broadcasting anything but official bulletins on all stations.

"The Japanese are very, very enthusiastic people. They bend over backwards to help. To be honest, that surprised me."

هكسان الازهر

R. Randall



When he isn't a forward in the company rugger team, 15-stone Richie Randall is a chassis inspector in National Panasonic's new colour TV factory. "I've never come across a company like this before, and I don't suppose I will again," he says.

A big sports fan, in more than one sense of the word, Richie approves of the way management responded so sympathetically when a colleague, former Welsh Youth International Tony Yeo, suggested that the company might form a rugger side. "First we had a ballot to make sure there was enough support for the idea," said Richie. "Then when that had been established, the company went straight out and bought new strip for the team. It cost over 350 pounds."

The team was formed last Christmas and is a member of the Cardiff and District League.

If Richie has anything to do with it, they'll soon be league champions. But, win or lose, one thing's for sure. No amount of pots will replace the shield which has pride of place in the company boardroom.

"I've never encountered a boss like mine before," said Richie. "All the lads clubbed together to buy the shield so he'd have a souvenir of Wales when he goes home."

National Panasonic just slightly ahead of our time

National Panasonic and Technics are the brandnames of Matsushita Electric, Japan's leading consumer electronics manufacturer.

Route awards for U.S. airlines

OUR OWN CORRESPONDENT

NEW YORK, Sept. 13.

U.S. Civil Aeronautics Board (CAB) has provisionally approved new trans-Atlantic air services to five U.S. airlines. The Board's announcement reaffirmed its decision to give Delta Airlines a non-stop route between Atlanta, Georgia, and London. Pan American World Airways has been given rights to link Dallas-Fort Worth and Houston with London, with the proviso that it cannot fly direct from Houston but must stop at Dallas-Fort Worth. Pan Am has, however, been given the right to fly from Texas to any European city. Northwest Airlines, as well as Delta, has been given its first trans-Atlantic routes to six northern European nations from nine U.S. cities, including Boston and Minneapolis-Saint Paul. National Airlines has been granted a Miami-Paris non-stop run. Trans World Airlines has been given authority to fly direct between Europe and Cleveland, Pittsburgh, St. Louis, Denver, Kansas City and Minneapolis-St. Paul. But under the new agreement between Britain and the U.S. the airline cannot fly non-stop to London on these routes.

Justice prepares 1 1/2-hour apology

JUREK MARTIN, U.S. EDITOR

WASHINGTON, Sept. 13.

RT LANCE, the Budget with the Senators over who had misled whom about Mr. Lance's account of his banking probity. To-day, Mr. Donald Tarleton, head of the Comptroller's office in Atlanta, Georgia, defended himself against questioning by the House Governmental Affairs Committee, terminating a special surveillance agreement under which the affairs of the Calhoun Bank, headed by Mr. Lance, had been placed under the supervision of bank examiners. In spite of persistent and often provocative questioning from several Senators, Mr. Tarleton maintained that there were good professional reasons for concluding that the Calhoun Bank had mended its ways. He argued that the appointment of an outside auditing officer had done much to make more sound the bank's loans, the \$400,000 in external capital had been raised and that the bank's capital ratio had achieved adequate levels by the time the order was lifted. But Mr. Tarleton, under considerable pressure from Senators Percy and others, was nonetheless obliged to acknowledge that it was "possible" that his decision to end the supervision may have been influenced by a meeting he had held with Mr. Lance just hours before he signed the necessary papers. Mr. Tarleton said that the discussion with Mr. Lance had included the fact that Mr. Lance was likely to become a member of Mr. Carter's Cabinet and that changes in the bank's leadership would therefore be required. He added that he knew now—even if he did not fully appreciate last November—the political propriety of ending the supervision of the Calhoun Bank at that time. Committee members appeared to believe Mr. Tarleton's assertion that he was not so mindful and repeatedly raised the extraordinary coincidence of his talk with Mr. Lance and his immediate order to end the supervision. But a picture was painted of a divided comptroller's office in Atlanta, in which the general counsel complained directly to Mr. Tarleton's superiors in Washington that there were excessive contacts between Mr. Tarleton and Mr. Lance (Mr. Tarleton resolutely and convincingly denied this). Nothing emerged this morning, however, appeared to have harmed Mr. Lance.

Thatcher meets Carter

VID BELL

WASHINGTON, Sept. 13

MARGARET THATCHER, Reserve Board and a number of the Opposition, Senators before having dinner with President Carter and Mrs. Henry Kissinger in the White House on the day of her crowded Washington. Last night the Conservative leader was entertained to dinner at the British Embassy by Mr. Peter Jay, the Ambassador. Among those present were the Secretaries of Defence and Commerce and several key economic policy makers in the administration. Mrs. Thatcher leaves for London to-morrow night after another full day of talks.

ECONOMIC POLICY

Expansionary straws in the wind

BY JUREK MARTIN, U.S. EDITOR

IT CARTER may soon more favour upon a more expansionary economic policy. As yet, rest upon the improbable combination of Mr. Bert Lance and Mr. Robert Strauss, the Special Trade Representative who has been the Administration's trouble shooter, may not be willing to run the gauntlet. President Carter may well have little alternative to selecting from the large and established profession of generally liberal economists, who, like their foreign policy counterparts, have waited to the wilderness for eight patient years of Republican administrations. According to some reports, Mr. Charles Schultze, Chairman of the Council of Economic Advisers, is the insider's favourite to replace Mr. Lance—though he is said not to want the job. No matter how sound Mr. Schultze has been in the past, there is no doubt that he stands well to the left of Mr. Lance. The same can be said of a number of other "qualified" candidates, such as Dr. Alice Rivlin, controversial head of the Congressional Budget Office. President Carter might turn to his old campaign adviser, Prof. Lawrence Klein, about the chances of ever finding work, their case is a strong one. That is so particularly if coupled with the sort of urban renewal policies which, again, appear to demand greater federal spending and which, again, at his meeting with the Congressional black

caucas, the President expressed interest in pursuing. Cynics might say that Mr. Carter was engaging in little more than a public relations messaging exercise, and that his deep conviction that inflation will only be exacerbated by more government spending remains unshaken. But that has to be matched against what many believe to be the close personal sympathy that the President feels towards minority groups in general, and blacks in particular. Mr. Carter's modest reflationary package this year and his even-tempered approach to the public works jobs Bill that was twice the size of his original proposal to more satisfied black leaders than it did organised labour. Although Mr. Carter could theoretically maintain that the impact, especially of the Jobs Bill, has yet to be felt since it only took practical effect last month, he may find it hard to resist the black contention that his tenure of office has brought too material improvement. There are political realities that argue the other way. It must be stated, not least the suspicion of a majority of Congress barbourous against a major upsurge of government spending or a major extension of the tentacles of the federal bureaucracy.

The current economic indicators, which point to some appreciable slowing from the high growth rates of the first four months of the year, have probably not yet persuaded Senators and Representatives that a basic shift of economic policies is called for. Moreover, the Administration itself, though a little worried, has yet to be convinced that the slowdown is anything other than temporary. Thus the case remains hypothetical. But if Mr. Callaghan and Mr. Healey are looking for straws in the wind, and if they care to return with a vengeance to the theme of unemployment, they may find President Carter in a responsive mood, or at the very least, a reflective one.

Mr. Carter's modest reflationary package this year and his signature of a \$4bn. public works jobs Bill no more satisfied black leaders than it did organised labour.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE... NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company...

WORLD TRADE NEWS

PARIS, Sept. 13. SKF-France, the French unit of the Swedish bearings group Svenska Kullagerfabriken AG, warned today that it may have to close three factories of its subsidiary CIE Jurassienne de Roulements (CJR) because of foreign competition.

Dumping may force closing of SKF plant

PARIS, Sept. 13. SKF-France said CJR has been affected by crisis conditions in the bearings industry as a whole, as a result of unfair competition from Japan and vicious attacks from Eastern-bloc countries.

Japan unable to comply with U.S. call on deficit

TOKYO, Sept. 13. The United States is pressing Japan to move quickly into deficit on its current account balance of payments, but a senior Japanese official says it will not be possible in the short term.

Italy wins \$500m oil contract

ROME, Sept. 13. ENI has won a \$500m cash contract to build an oil refinery in Abu Dhabi, the Italian group reported today.

CONTRACTS AND TENDERS

HELLENIC REPUBLIC The National Tourist Organisation of Greece

PREQUALIFICATION ANNOUNCEMENT for the CONSTRUCTION of three (3) Hotel-Schools in Greece

Table with 2 columns: Location, Construction Area (sq. m.), and Construction Cost (Drs.). Locations include Thessaloniki, Iraklion (Crete), and Athens.

UNIQUE OPPORTUNITY THE FISHERY

3-acre site, existing lake, planning consent for extending lake, 200m road, car park, small club house, ideal for conversion to trout fishing.

COMPLETE CONTENTS OF

Mahogany and oak desks from £35 to £550. Four drawer chest filing cabinets from £25. Steel cupboards £25. Real leather armchairs, sofas, dining chairs, etc.

YEMEN ARAB REPUBLIC

With a population of 6 million and a common border with Saudi Arabia this underdeveloped non-oil country has tremendous growth potential.

ART GALLERIES

SLAONE STREET GALLERIES, 158 Sloane St., W.1. Modern paintings, sculpture and graphics by interesting international artists.

CLUBS

EVE, 189 Regent Street, 734 0557. A la carte or All-in Menu. Three Spectacular Shows. 10.45, 12.15, 8.45.

Meeting on Third World debt delayed

GENEVA, Sept. 13. A MEETING of Ministers from more than 100 countries to discuss the growing external debts of Third World states has been delayed again.

Call on Yugoslav-EEC trade

BRUSSELS, Sept. 13. HERR Wilhelm Haferkamp, vice-president of the Brussels Commission of the European Communities, today ended his two-day visit to Belgrade asking for patience and goodwill in efforts to improve relations between Yugoslavia and the Common Market.

Bulgarian credit

THE EXPORT CREDIT GUARANTEE DEPARTMENT has guaranteed £3m. line of credit which Natix Westminster Bank has in available.

Cycle exports up

TOTAL exports of the bicycle industry for the first 10 months of 1977 were 229 million units.

Iraq power station

IRAQ has awarded the Japanese company Toyo Menka a \$22.5m. contract for construction of an electric power station at Al-Taji, 24 miles from Baghdad.

Kuwait investment

KUWAIT has agreed to biggest investor in the oil field of a \$700m. oil refineries in the Indonesian island of off Singapore.

Indian shipyard

A contract awarded to Indian Government to build a \$50m. shipyard has gone to A. and P. An International, not An Shipbuilders, as reported September 7.

India plans further easing of imports

NEW DELHI, Sept. 13. Imports would not be allowed at the cost of production capacity already established in the country.

History TODAY

Edited by Peter Quennell and Alan Hodge

The September issue includes:

NANA SAHIB AT CAWNPORE, 1857 by Christopher Hibbert

MATTEO RICCI IN CHINA, 1583-1610 by Nora C. Buckley

THE STRAND BLOCK OF SOMERSET HOUSE, 1780-1836: Part II by Sonia and Vivian Lipman

THE BRIGHTON CHAIN PIER by L. W. Gowie

GOBBETT'S VIEWS ON SCHOOLS by Molly Townsend

THE LAVALLETT AFFAIR, 1815 by Michael Glover

Now on sale 50p. Annual Subscription £6.70 (U.S.\$16.00) with Bracken House, Cannon Street, London EC4P 4BY

COUNTERFEIT BLUE JEANS

Flattery goes too far

BY NANCY DUNNE IN WASHINGTON. A flurry of law suits, arrests and seizures, an eight-man corporate security team is wading up the "takes yer choice" case of the great blue jean caper.

Loan for Mexico

THE EXPORT-IMPORT Bank has notified Congressional leaders it has tentatively approved \$500m. in loans to Mexico's State-owned oil and gas company for a gas pipeline project and other ventures.

Radar order

RAYTHEON of the U.S. has been awarded a \$31.5m. contract for 44 airport surveillance radars to be supplied over four years to the West German Air Force.

NOTICE

To Each Holder of 37 Subordinated Guaranteed Convertible Debentures D (the "Debentures")

REYNOLDS METALS EQUITY CAPITAL CORPORATION

NOTICE IS HEREBY GIVEN the conversion price at which Common Stock of Reynolds Metals Company shall be issuable in satisfaction of the Debentures is being adjusted from \$44.25 to \$45.00.

REYNOLDS METALS

September 8, 1977



WE, THE LIMBLESS, LOOK TO YOU FOR HELP

Welcome to both worlds! We come from Kenya, Malawi, Aden, Cyprus, and from U.S. From keeping the peace no more than from war we limbless look to you for help.

British Limbless Ex-Service Men's Association

Large vertical advertisement on the right edge of the page, partially cut off, containing various notices and text.



Simply deficit

trade

imports

# DID THE POLLS GET YOU RIGHT?

Should Britain's four main clearing banks be nationalised?

The Prime Minister, most of the Cabinet and the majority of Labour supporters say no, it last year the Labour Party Conference voted in favour of nationalisation.

We (the banks named below) have been asking you, through these Banks Debate broadsheets, what you think.

Every day the issue becomes more widely discussed, as we see from our postbag.

So far, over 28,000 have taken part in the debate. And over 90% of them wrote to tell us

that, for many reasons, they are against bank nationalisation.

### Independent polls.

Since the Debate was opened, there have also been two public opinion polls by independent organisations on this important issue.

Both interviewed a complete cross section of the British public. One was conducted in July by Market & Opinion Research International (MORI) and the other in August by Gallup.

One of MORI's questions asked, "Do you think this industry (banking) should be

nationalised?" 74% said no; 14% said yes. The remainder were uncommitted.

Concerning the Banks Debate itself, 90% of people said that they liked being given the chance to express their views. So we're printing some of the actual questions from both polls here, with the results. You might like to tick the appropriate boxes and see whether your opinion matches up with the majority view.

If you'd like to send us the page when you've filled it in, we will be pleased to add it to the growing fund of information on the public's opinion about the future of its banks.

### Banks and their customers.

1. "If the banks were nationalised, customers would get better service than they do now."

PUBLIC OPINION		YOUR OPINION	
They would	They wouldn't	They would	They wouldn't
11%	70%	<input type="checkbox"/>	<input type="checkbox"/>

2. "If the banks were nationalised, bank charges would go up."



PUBLIC OPINION		YOUR OPINION	
They would	They wouldn't	They would	They wouldn't
67%	16%	<input type="checkbox"/>	<input type="checkbox"/>

3. "If the banks were nationalised, there would be a wider choice of services than there is at present."

PUBLIC OPINION		YOUR OPINION	
There would	There wouldn't	There would	There wouldn't
17%	53%	<input type="checkbox"/>	<input type="checkbox"/>

4. "If the banks were nationalised, the standard of management would rise."

PUBLIC OPINION		YOUR OPINION	
It would	It wouldn't	It would	It wouldn't
17%	62%	<input type="checkbox"/>	<input type="checkbox"/>

### Banks and Britain.

5. "If the banks were nationalised, do you think they would do a better or worse job for Britain?"

PUBLIC OPINION		YOUR OPINION	
Better	Worse	Better	Worse
12%	55%	<input type="checkbox"/>	<input type="checkbox"/>

6. "If the banks were nationalised, it would be good for investment in Britain."

PUBLIC OPINION		YOUR OPINION	
It would	It wouldn't	It would	It wouldn't
18%	54%	<input type="checkbox"/>	<input type="checkbox"/>



### Banks and Investment.

7. "The Government would be likely to make better use of the banks' money than the banks do now."

PUBLIC OPINION		YOUR OPINION	
It would	It wouldn't	It would	It wouldn't
27%	55%	<input type="checkbox"/>	<input type="checkbox"/>

8. "The Government would use some of banks' customers' money to support unsuccessful businesses."

PUBLIC OPINION		YOUR OPINION	
It would	It wouldn't	It would	It wouldn't
50%	21%	<input type="checkbox"/>	<input type="checkbox"/>

9. "If the banks were nationalised, people would be less willing to save or invest their money in them."

PUBLIC OPINION		YOUR OPINION	
They would	They wouldn't	They would	They wouldn't
60%	18%	<input type="checkbox"/>	<input type="checkbox"/>

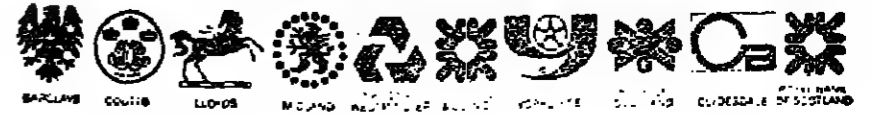


**What's your opinion?**  
We want to hear from everyone, whether you're for or against bank nationalisation. So please tick the boxes in this advertisement and send us the page or, if you would

prefer, write us a letter giving your views. You can deliver it to any branch of any bank listed here, in an envelope marked "The Banks Debate." Or you can post it to us at the address on the right.

## THE BANKS

10 LOMBARD STREET, LONDON EC3V 9AR



HOME NEWS

Tyneside ore plant shelved

BY ROY HODSON

THE RECESSION in world steel making has forced the shelving of plans for a private-enterprise iron-ore reduction plant on Tyneside.

The 590m. plan announced six months ago and backed by Consolidated Goldfields and Fiat is unlikely to be resurrected until there is a firm improvement in international steel trading.

The consortium — including Goldfields, Fiat, Sheerness Steel Tube Investments, and Manchester Steel — concluded at a meeting last night that "in view of current depressed conditions in the steel industry, it is not possible to proceed with a final commitment for construction at the present time."

ceived to provide private-sector steelmakers and foundries with an alternative raw materials source, the price of scrap steel was rising and by last year peaked at nearly £30 a tonne.

Since then the price of scrap has halved and there is a surplus. It is unlikely that steel-makers will consider regular purchases of reduced ore while scrap is cheap.

A letter of intent for the main contract of the proposed Tyneside plant by the North Sea Iron Company consortium to the West German company GHH Stierkrade will not be renewed.

The EEC Commission offered a £25m loan for the plant which was to employ 150 people and process 500,000 tonnes of iron ore a year.

Tesco's share of grocery market down last month

BY ELNOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

TESCO'S SHARE of the grocery market is thought to have slipped back slightly in August from the high point it reached in the two months immediately after it dropped Green Shield trading stamps and adopted its new lower pricing policy.

The market share, however, is still about 40 per cent. up on the level reached in the last few months before giving up stamps. The latest survey, carried out by the research company AGB, and now being circulated to subscribers, is believed to show that in the four weeks to August 20, Tesco's share of the £1bn. grocery market averaged 11.4 per cent.

This compares with a high of 11.5 per cent. in the preceding four-week period and only 8.2 per cent. in the 12 weeks ending May 25.

The figures suggest that Asda, Allied Suppliers, the Co-op and International Stores won back sales from Tesco last month.

The biggest increase was shown by the Co-op which pushed its share of the market up from 17.4 per cent. to 18.1 per cent. — just above the 19 per cent. figure it was averaging before Tesco initiated the price war in early June.

Over the ten-month period, Asda pushed its share up from 3.2 per cent. in July to 5.5 per cent. in August.

For the BAT subsidiary, International Stores, the latest figures reverse the downward trend

since June when the group picked up some of the Green Shield franchises dropped by Tesco.

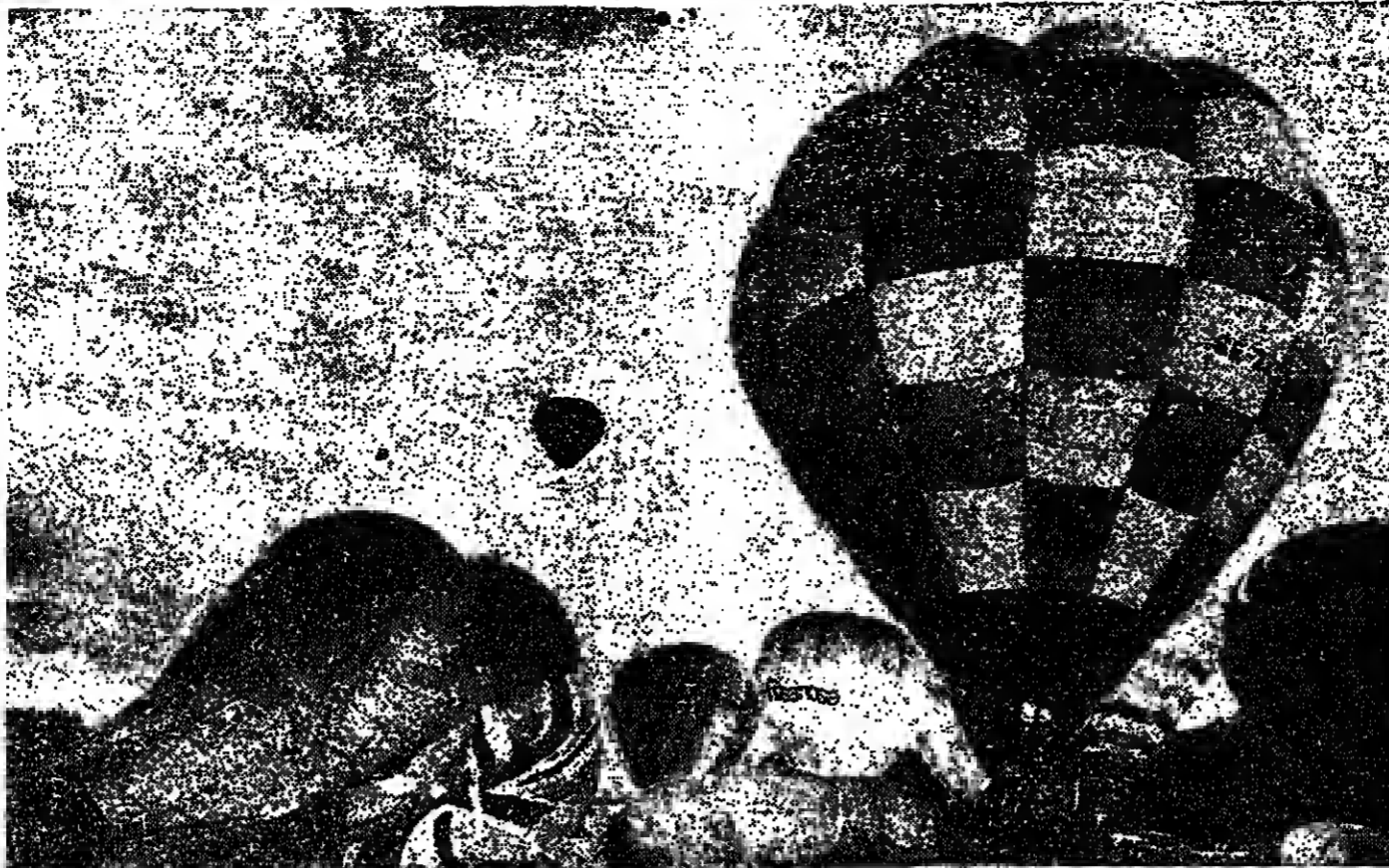
In August, the company increased its market share to 3.1 per cent. from the low point of 2.9 per cent. reached in July.

AGB mentions housewives' spending on a daily basis but as it does not cover all product areas, it is criticised by some supermarket leaders who question the usefulness of the monthly figures. Even so, most agree that it is an indicator of long-term trends.

The Tesco management had forecast a drop in market share this month. But the company is still taking a higher share of the market than the directors had expected when they decided to drop stamps.

The other companies to show small falls in August were Sainsbury, MacFisheries, Key Market and Fine Fare. Sainsbury, which was hit by an industrial dispute in the weeks immediately after Tesco dropped stamps, was unable to make up the lost ground in August when its share of the market fell to 8.6 per cent. — against 8.7 per cent. in July and about 8.9 per cent. in the three months to end of May.

Looked at over the longer term, the Government subsidiary Allied Suppliers is also thought to have lost ground to Tesco despite the improvement in its performance in August.



Series inflation was clearly the aim at Castle Howard, near York, yesterday as the Third International World Hot Air Balloon Championships got under way to a belated start, sponsored by Rebertsons Foods. Bad weather prevented the gas bags taking off on Saturday. British balloonists came fourth, fifth and sixth in the last championships. They hope to go higher this year.

New Peachey writ against Sir Eric

BY KENNETH GOODING

A FOURTH High Court writ has been issued by Peachey Property Corporation against Sir Eric Miller, its former chairman and managing director.

Anthony Hutley and Partners, Peachey's estate agency and service subsidiary, yesterday issued a writ against Sir Eric claiming that in 1972 he procured payment of £70,000 from Hutley's account with Hambros Bank to an unnamed firm of City stockbrokers.

This latest writ brings Peachey's total claims against Sir Eric to £295,000. Earlier this year the former chairman, dismissed from the group's main Board at May's annual meeting, repaid a total of £27,671 of personal expenses to Peachey. His solicitors, D. J. Freeman, have announced that Sir Eric will "vigorously defend" himself against all Peachey's claims.

NEDO plans detailed study of Scotch whisky exports

BY KENNETH GOODING

THE MOST detailed analysis of the Scotch whisky industry and its prospects is to be carried out under the banner of the National Economic Development Office.

Among the key issues to be considered is whether it is in the industry's — or the country's — interest to continue shipments of bulk malt Scotch whisky to countries like Japan, where they are used to improve the local products.

NEDO announced yesterday that a distilling sector working group had been set up by the food and drink Little Neddys as part of the industrial strategy programme.

The announcement was obviously timed to coincide with a press meeting about bulk malt whisky exports which takes place in Glasgow tonight.

MPs and trade union representatives will address the meeting organised by the Scotch

Legal controls proposed on advertising

BY ELNOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE NATIONAL Consumer Council, the Government-appointed consumers' champion, proposed legislation yesterday to clamp down on misleading advertising when voluntary controls fail.

In its first full policy statement on advertising since being set up two years ago, the council recommended a dual system in which the present voluntary arrangements would be used as the main control on advertising but would be backed up by legislation.

This would give the Office of Fair Trading the duty to oversee compliance with the voluntary code and new power to order the immediate withdrawal of possibly misleading advertisements, and the publication of statements condemning any advertisements found to be misleading after investigation.

The Office of Fair Trading, which is soon to embark on its own review of the Advertising Standards Authorities' work in overseeing the code of advertising practice, would be empowered to obtain information relating to any claim made in advertisements.

The council suggests it might also be authorised to secure undertakings from companies which had violated the voluntary code to comply with the rules. Failure to do so would lead to prosecution.

The council's recommendations endorse many aspects of the proposals for controlling advertising in the EEC which are being circulated in Brussels in the form of a draft directive.

The council backs the EEC's plans for the introduction of legislation designed to inhibit misleading and unfair advertising. But it stresses the need to ensure that any British legislation is drafted in such a way as to preserve the best of British legal controls as provided for in the Trade Descriptions Act and the Fair Trading Act.

The White Paper which set up the Government-ordered council and gave it the job of representing the consumers' interests, envisaged the council advising the Director General of Fair Trading about advertising.

The question of statutory advertising controls has not, however, been a particularly live issue in Whitehall in the last two years. Though the Labour Party, committed by its 1976 Pro-

gramme for Action to introduce new controls there is no sign of any such proposals. The council has not been particularly successful in getting views accepted by Government but the Department of Price will have to take note of its recommendations. Its statement will help to create a climate in which the advertising industry feels the need to improve its voluntary controls.

Some additional legislation would probably have to be acted in this country if the draft directive on advertising were accepted — though the council is a long way from being agreed on such matters. Three years ago the advertising industry objected to its code of voluntary practice. At that time other measures have been introduced by the industry in consultation with the Office of Fair Trading and the Department of Prices.

The council says it remains to be seen precisely what of these changes will have an operation. It concedes that if there are many indications of a thorough-going attitude to the problem of control, but there is still evidence of agencies in practice.

Advertising: Legislation made? The National Consumer Council, 18, Queen Anne's Lane, London, S.W.1.

More Home News, Pages 11, 12 and 3

tary code rather than risk lobby building up in favour of legislation.

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Advertising: Legislation made? The National Consumer Council, 18, Queen Anne's Lane, London, S.W.1.

Guildhall cry fire a mystery

BY KENNETH GOODING

THE CAUSE of a fire at Guildhall in the City of London, which caused £1 million of damage, remains a mystery, an inquest yesterday heard.

The blaze was in a pillbox in the crypt, which was built in the 17th century.

Mr. Forster Lewis, a coroner, told the jury that the cause of the fire was a candle which had been lit in the crypt.

The jury returned a verdict of accidental death.

The fire broke out in the crypt, which was built in the 17th century.

Two of collapsed/property group's office blocks sold

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

RECEIVERS untangling the affairs of the collapsed property group Amalgamated Investment and Property have sold two of its largest remaining office blocks, both in London, for £18m, relieving the group of its largest remaining asset.

Mr. Mark Homan, of Price Waterhouse, the accountants, who was appointed Receiver to the bulk of AIP's properties when the group collapsed in the spring, announced the sales yesterday.

An unnamed "major pension fund" has paid £12.5m. for AIP's 290,000 square feet of modern freehold office at 195 to 199 Knightsbridge.

The group's 77,250 square feet Chancery House block in Neasden Lane, has been sold to another pension fund for over £5.5m. Its initial yield of 7.3 per cent.

Last month Mr. Homan announced letting of the whole 228,000 square feet Station House office development in Basildon. The Ford Motor Company, relieving the group of its largest remaining asset.

Though Mr. Homan will not directly comment on Station House, it is widely believed that the building accounts for a substantial part of the £11m. of property sales reported under negotiation, Ford being high on the list of possible purchasers.

Yesterday's sales mean that £42m. of the 65m. properties being dealt with by Mr. Homan have been sold.

But he says that because of the complexity of the group's affairs, the disposals should not be taken to presage any rapid repayment of the group's creditors.

Both Mr. Homan and Mr. Bond have made it clear that whatever disposals are made shareholders have little hope of receiving anything.

Abbey Capital directors step down

By Margaret Reid

THE BOARD of the Crown Agents' Australian property subsidiary Abbey Capital Group has been changed as a sequel to the agents' acquisition of the rest of the group's shares.

The reorganisation, to allow the agents "to have a closer management and financial association" with the company, involves the retirement of Mr. J. E. M. Dixon, the chairman, Mr. J. B. Snoddy, the managing director, and two other directors, Mr. G. H. O'D. Crowther and Mr. J. D. Holman. Mr. J. N. F. MacDonnell, who is to be the new executive chairman of the group in Australia, and Mr. J. R. Beaven, have been appointed.

Abbey ran into problems when the property boom in Australia collapsed after its \$A250m. (£188m.) shopping spree there.

Spending proposal 'a shabby con-trick'

By David Churchill

GOVERNMENT plans to restrict on local expenditure in a move to late the construction industry were sharply criticised yesterday by the Greater London Council.

The plans were announced by the Government last July, but they have not been implemented.

But Miss Shelagh Keegan, leader of the GLC's planning committee, described the move as "a shabby con-trick".

She said that in order to the Government's critics GLC would have to begin immediately of new schemes.

"We have already decided our priorities, and to be spending money on schemes we consider less urgent than the ones we have already decided on. The Government must realise that transport schemes need preparation if money is to be wasted. They cannot be through at the drop of a hat."

Skytrain like to operate from Gatwick

MR. FREDDIE LAKE, of Airways, expects to hear that he will be allowed to start his low-cost Skytrain service from New York from Gatwick.

He applied to the Aviation Authority last year to alter the departure point from Stansted Airport, Essex, to Gatwick.

Mr. Lake said that the main reason for the move was to allow him to compete on more equal terms with the main airlines which are operating from Gatwick.

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OUR  
OUT?**

Every business in the United Kingdom is facing an important decision. By December 7th, your company must decide whether or not to contract out of the new State Pension Scheme.

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FT13/9

**HAMBRO LIFE**

Decision day is DEC 7

A concise guide to the new State Pension Scheme for smaller companies, controlling directors and the self-employed.

Art in the office 'like a pay rise'

ART IN THE office adds style and character, makes offices more interesting to work in — and can be almost as good as a pay rise, Mr. Peter Leigh, a partner in the Graffitt Gallery, London, said yesterday.

The Gallery has sponsored an exhibition of original prints and etchings. "British Graphics at work," aimed at the British employer. A total of 90 works by 20 artists are on view until the end of the month at the ICA Gallery, Carlton House Terrace. Prices range from £20 to £100.

Mr. Leigh, 23, said the exhibition would appeal to architects and designers, "but we really want to wake up senior people in British industry."

There is much more awareness of art by companies on the Continent and in America than in Britain. Foreign companies patronise young artists in a way that is rare in Britain.

J. Walter Thompson, the American advertising agency with offices in London, has spent up to £20,000 a year on art for the last 15 years, he said, and now has a print collection valued at £50,000.

"The investment side of it is important but not overriding. The important thing is that they have patronised living artists."

"They have an unrivalled collection of early prints by David Hockney, bought when he was not nearly as known as he is now."

"People spend up to a third of their lives at work, so it's not surprising that they want to make their work environment more pleasant."

"It doesn't have to be expensive. I've seen many firms here haven't been able to afford it."

Banker Rex Ryan and the Ford Motor Co. are among households that have used prints. Graffitt Gallery, 11, St. Clare Street, London, E.C.4, is the main contact.

HOME NEWS

Importers winning more of commercial vehicle market

FRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CE THAT Britain's commercial vehicle industry is failing to adequately meet the needs of the market... The overall truck market last month was 7.4 per cent up on the same month last year.

On the commercial vehicle export front, a brighter note was sounded for Britain yesterday by Mr. David Plastow, the society's president, who said that British truck sales in West Germany had increased by 53 per cent in value during the five months to the end of May.

2m. more 'want to use Gatwick'

GATWICK is so poorly served by scheduled flights that each year at least 2m. air passengers who would use the airport are compelled instead to use Heathrow, British Island Airways said yesterday.

The statement was in documented evidence to the Civil Aviation Authority at a public hearing into British island's application for new routes from Gatwick to six key points in Europe.

Liberals confident of boost for pact

BY IVOR OWEN, PARLIAMENTARY STAFF

WITH PREPARATIONS for the Liberal Assembly, due in Brighton on September 26, nearing completion, the party managers are more confident than before of securing a clear endorsement for the Lib-Lab pact.

Heads 'tend to be too optimistic'

By Michael Dixon, Education Correspondent

HEAD TEACHERS tend to be over-optimistic about the state of the country's schools, according to a survey report issued by the 90,000-member National Association of Schoolmasters and Union of Women Teachers yesterday.

ries still edged end use rates

Times Reporter

ON LOCAL government, repeated the Conservative case to abolish household rates, he warned that it would not be accomplished in the lifetime of a Parliament.

White Paper rejects proposal to disband research corporation

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

AN ATTEMPT by MPS to disband the National Research Development Corporation was rejected by a Government White Paper yesterday.

Blue plaque to card designer

MR. DONALD MCGILL, designer of saucy postcards, is to be remembered by a Greater London Council blue plaque at Blackheath, London, S.E., where he lived.

Windscale plant 'part of EEC nuclear strategy'

BY IAN BREACH, IN WHITEHAVEN

THE PROPOSED reprocessing plant at Windscale was an integral part of EEC nuclear strategy, a scientist who lives in Scotland told the inquiry.

PLAS CONFERENCE

World plastics use 'should grow annual 9% over 10 years'

IN DONE, CHEMICALS CORRESPONDENT

CONSUMPTION of all thermoplastics production, Dr. Willhoun, are considerably lower than those achieved in the past decade, but they still indicate that thermoplastics, which account for the vast majority of plastics production, will remain one of the chemical industry's major growth areas.

Windscale plant 'part of EEC nuclear strategy'

BY IAN BREACH, IN WHITEHAVEN

THE PROPOSED reprocessing plant at Windscale was an integral part of EEC nuclear strategy, a scientist who lives in Scotland told the inquiry.

BICC people make optical fibre cables work for Rediffusion and the Post Office

BICC people, through their work on the development and manufacture of optical fibre cables, are helping to make optical fibre telecommunication systems work. Optical fibres are only a part — but an essential part — of a system that uses light instead of electric current to transmit messages.

The Post Office Corporation and Rediffusion chose BICC as the sole supplier of their first purchases of optical fibre cable for field use, the latest and most advanced technology in telecommunication cables, thus confirming the leadership in the development and manufacture of telecommunication cables that BICC has held since the early days of the telephone.

These designs of optical fibre cables consist of two fibres made from a special glass, each no thicker than a human hair, flanked by two steel tension wires to give mechanical strength, lying in an extruded plastic sheath that can be handled and pulled through ducts in the same way as a conventional telecommunication cable.

Both installations are significant 'firsts' for optical fibre cables, for telecommunications, and for BICC. BICC is a lot of people, working with people — for people. And making things work.



# HOME NEWS

## Gray Tool awarded £4m. North Sea contracts

BY RAY DAFFER, ENERGY CORRESPONDENT

GRAY TOOL, of Douglas, Lancashire, which has a workforce of 100, has been awarded £4m. worth of contracts for the construction of 100 wellhead valve assemblies for the North Sea oil fields. The contracts, which are worth £4m., were secured against strong competition from France, Germany and the U.S. They were announced yesterday at the opening of the Offshore 77 oil exhibition in Aberdeen.

The company will build at least 100 wellhead valve assemblies—so-called Christmas trees—for the Heather and Ninian fields, with an option on 24 more units.

Gray Tool employs 300 local workers in the village seat of the Douglas-Home family. It has retrained farmers, wood-cutters and coal miners, has won two of the biggest orders ever placed in Britain for North Sea oil wellhead equipment.

The company is hoping for substantial export business. It is among oil industry suppliers expecting a visit to-day by a delegation from Petrohaltic, the offshore drilling and production consortium of Russia, Poland and East Germany.

Another North Sea company, CJB Offshore, announced that it had signed a contract worth between £5m. and £10m. for the installation of drilling and production equipment on the Alpha platform of Shell/Esso's Brent Field.

CJB Offshore will "hook up" the various modules which will be used for oil production from Britain's biggest offshore field. Work on the contract, a joint venture with Balfour Beatty, is scheduled to be completed in the second quarter of next year. About 150 men will be employed offshore on the project.

The Department of Trade will hold an oil pollution exercise off Shetland next Tuesday and Wednesday to test the arrangements for dealing with a major oil spill. In the exercise, code-named Guizer, it will be assumed that 800 tonnes of oil has leaked from a tanker after a valve and pipeline failure.

## Orders for special steels stay low

BY OUR SHEFFIELD CORRESPONDENT

SHORT-TIME working has been re-introduced in parts of the special steels industry in Sheffield. Many in the industry were hoping for a year of recovery in 1977.

A local survey published to-day reveals flat order books throughout the industry and generally low levels of activity. Although export orders continue at a reasonably high level for many companies, they are insufficient to offset a depressed home market.

In its quarterly survey of business opinion in the region, the Sheffield Morning Telegraph says the situation in special steels is a set-back to hopes of recovery for an industry which has now had to face more than two years of recession.

The survey claims that order books have levelled out even for stainless steel, the star performer in the sector, which had been enjoying a buoyant market. The British Steel Corporation is developing a £130m. programme to increase Sheffield's capacity in stainless steel flat products.

A general lack of confidence among customers, together with economic relations problems in consumer industries such as motor manufacture, are the two main reasons given by the steel makers for their gloomy outlook. None of the main steel companies now expects any substantial increase in orders until next year.

## New paint price rise likely this year

By Kevin Done, Chemicals Correspondent

ANOTHER round of price increases from the major paint manufacturers appears likely before the end of the year despite the continuing price commission inquiry into profit margins and prices in the decorative paint industry.

The paint industry is beginning to tighten its credit arrangements with customers to pass on the effects of tighter limits imposed by the chemical industry's raw material suppliers earlier this year.

The latest round of price increases came in June and July with some manufacturers putting up the price of decorative paints — they account for about 50 per cent. of the total paint market — by as much as 11 per cent.

Some paint makers, such as Crown and Berger Jenson and Nicholson, have already raised prices twice this year, but the increases have failed to keep pace with the rise in costs of raw materials.

The paint industry is one of the most labour-intensive sectors of the chemicals industry, but raw materials still account for about 60 per cent. of paintmakers' total costs.

According to the Institute of Purchasing and Supply, raw material costs in the paint industry have risen by about 25 per cent. a year over the last three years.

Despite some slowing-down this year, it still expects costs to rise by some 20 per cent. in 1977.

## Managers move to improve own efficiency

BY DAVID FREUD, INDUSTRIAL STAFF

A CAMPAIGN to improve the U.K.'s industrial performance was launched yesterday by the British Institute of Management.

The campaign, called SPUR, is aimed at improving the efficiency of managers and other professionals in manufacturing industries.

Sir Derek Ezra, chairman of the institute, who announced the initiative in London yesterday, stressed that the aim of the campaign was very much in the interests of the nation as a whole.

The quality of British managers was among the highest in the world — contrary to recent adverse claims in the West German newspapers and elsewhere.

But there were three key areas where efficiency could be improved and which the campaign would be concentrating on:

- The distinction between the people who take business decisions and those who are operational was too sharp. Sir Derek said engineers should become more business-minded and the business leaders more aware of the technical problems.
- The British manager was not good at materials management. Because of the large sums of money tied up in materials, it was essential they should flow effectively.
- Effective working time—the time the man actually spends on the job—should be made more productive. This was a quest not only of greater effort but better organisation and adequate investment in tools and equipment.

SPUR—short for Strategy, Performance and Utilisation Resources—will run for the next year to 18 months.



Sir Derek Ezra, British Institute of Management chairman.

It has warned that with a number of rises in the pipeline the paint industry could be one of those most affected.

The move to tighten credit has followed restrictions imposed progressively this year by raw material suppliers, which are aiming to bring the average period of credit down to 35 days, to put the U.K. chemical industry in line with its Continental and U.S. competitors.

As both the main U.K. chemical company and the brand leader in decorative paints, Imperial Chemical Industries is leading the move to tighten credit.

Limits have already been brought in successfully for industrial paint customers, but it faces far greater dangers of losing some of its dominant market share if restrictions are brought in for decorative paint customers.

Because the market has shown such little movement in recent months, other manufacturers appear wary of following ICI's example in the decorative market.

Berger, for example, is taking a stronger line on its present credit arrangements.

Some manufacturers doubt the market's ability to accept stricter terms, but ICI at least is clearly anxious that paint makers should cease to play the role of banker for customers by doing away with practices that have allowed average credit periods to be as long as 65 days.

Restrictions

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The Very Rev. Alan Webster (above) who retires from St. Paul's in this month.

Dean Webster, who is 59, has been Dean of Norwich since 1970. Congregations at the cathedral have increased during his term of office and it has been the scene of a number of imaginative exhibitions and projects.

He is the founder-president of the Norwich City Shelter, caring for homeless people, and president of the Norfolk and Norwich Association of Mental Health. He has also held academic posts at Westcott House training college, Cambridge, and Lincoln Theological College.

Before going to Norwich, Dean Webster was Prebendary of Lincoln Cathedral.

## APPPOINTMENTS Kenneth Paxton becomes TH Leisure chief executive

Mr. Kenneth Paxton has been appointed managing director of TRUST HOUSES FORTE LEISURE, the new leisure group formed by the merger of Sir Leslie Joseph, who continues as chairman with executive authority. Mr. Paxton joined Forte Holdings in 1968. He became a divisional director in 1968 and following the merger in 1970 was appointed divisional director of Trust Houses Forte Leisure and later deputy managing director.

Mr. A. J. W. Lewis (Courts) has been elected chairman and Mr. M. Goldman (Carrington Virella) vice chairman of the BRITISH CLOTHING INDUSTRY'S COUNCIL FOR EUROPE.

Mr. G. Sasserath, Mr. D. Evans, Mr. R. Brett, Mr. K. Borrett and Mr. E. Going have been appointed directors of WIGLAK POLAND PROFESSIONAL INDEMNITY, a member of the Wigan Poland Group.

Mr. John G. Howarth has been made vice-president, elastomers, for ESSOCHEM EUROPE INC. He succeeds Dr. Lewis W. Bowman, who has transferred to the U.S. to become elastomers technology manager at Exxon Chemical Company in New York.

Mr. Geoffrey Crigg has joined the Board of RANK AUDIO VISUAL as financial director. Mr. Martin Kendall has also become a member of that Board and continues as general manager, Rank HIFI. At RANK OPTICS in Leeds, Dr. John Hill now has responsibility as product group manager, liquid crystal displays, and Mr. Ian Elliot has become product group manager, fibre optics.

Mr. R. L. Nairne has been appointed a director of JOHN TOWNSEND AND CO.

The following appointments have been made in the Steel Strip Division of the Firth Cleveland Sub Group of GKN, Firth Cleveland Steel Strip: Mr. D. R. Joylan, managing director; Mr. P. H. Gartnack, a director; Mr. F. M. Stearn, a works director; and Mr. G. F. Wright, sales director. Firth Cleveland Steels Inc. (U.S.): Mr. G. V.

Cooper, chairman in place of Mr. D. R. Moylan, who remains on the Board. J. A. Habershon and Sons, Mr. E. A. Smith, managing director; Mr. P. M. Cook, technical director; Mr. F. Cookson, works director; and Mr. R. M. Hague, a director. Edmonton Steel Strip: Mr. D. Law, general manager becomes a director.

Mr. Richard Van Ose is to join the GAME CONSERVANCY as director-designate in April 1978, to succeed Mr. Charles Coles who will be retiring in June 1981. Mr. Richard Prior joins the Game Conservancy next January as information officer and deer consultant, later to become manager of all external services and deputy director.

The Lord Chancellor has appointed Mr. A. C. Heywood to be a member of his ADVISORY COMMITTEE ON LEGAL AID. Mr. Heywood has been the head of the legal department of the Union of Shop Distributors and Allied Workers since 1966.

From the beginning of next year Brigadier M. B. Farrdale, Director of Public Relations (Army), will be Director Army Staff Duties, MINISTRY OF DEFENCE, in the rank of major-general. Brigadier D. Boorman is to be Director of Public Relations (Army).

Mr. Peter Jamieson, at present general manager, international division, EMI Records, is to become managing director of EMI (NEW ZEALAND) when Mr. M. S. Wells vacates that post at the end of December. Mr. Wells is to take up another position within the EMI group.

Mr. John O'Connell, works director of Harrold, has been appointed by the Butterfield-Harvey Group to be managing director of its subsidiary SWINTEX. Mr. Geoffrey Carr, industrial division marketing manager of Harrold, has become a director of that company.

Mr. Brian W. Stark has been appointed managing director of HEDGES AND BUTLER. He succeeds Mr. Douglas G. Messenger, chairman of the company when it retires to devote more time to the Wine and Spirit Ciation and other interests will remain on the Board of Charrington Interiors; Mr. J. A. Smith, managing director of Bass Worthington; Mr. Tom Morrell, at present sonnet director at Burt Trent.

SHEAFFER PENS since Mr. T. E. F. Stewart has appointed managing director the Sheaffer-Eaton Division. Mr. T. E. F. Stewart, previous U.K. managing director of the Atlantic Division of Eaton. His predecessor, Mr. Dimmauer, has returned to Eaton head office in Pitt Meadows, B.C.

Mr. E. E. Forster, a direct LOMBARD NORTH CENTRAL, has been appointed head of company's credit finance department from January 1, 1978.

Mr. Roger Harrop has appointed general manager U.K. division of FLEXIBOND. Mr. J. C. Workman has been appointed to the post of managing director of the subsidiary BUSH BRICK.

Mr. J. M. O. Rodman has appointed a director of BROTHERS AND SONS. He was a director in 1965.

Mr. Ben Ripley has been appointed to the post of managing director of N. G. BAILEY AND CO. marketing director.

Mr. J. A. Dore has been elected chairman of H. A. JOHNSON RICHARDS. The succession in the late Mr. Johnson. Mr. Dore has been chairman of the company when it retires to devote more time to the Wine and Spirit Ciation and other interests will remain on the Board of Charrington Interiors; Mr. J. A. Smith, managing director of Bass Worthington; Mr. Tom Morrell, at present sonnet director at Burt Trent.

New Issue  
September 14, 1977

This advertisement appears as a matter of record only.

# U.S. \$ 250,000,000

## COMMONWEALTH OF AUSTRALIA

U.S. \$ 100,000,000 7½% U.S. Dollar Bearer Notes of 1977/1984

U.S. \$ 150,000,000 8¼% U.S. Dollar Bearer Bonds of 1977/1992

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<b>Arnhold and S. Bleichroeder, Inc.</b> Bank of America Nazionale del Lavoro	<b>Banca Commerciale Italiana</b> Bank of America International	<b>Banca del Gottardo</b>
<b>Bank für Gemeinwirtschaft</b> Aktiengesellschaft	<b>Bank Gutzwiller, Kurz, Bungener (Overseas)</b> Limited	<b>Bank Julius Baer International</b> Limited
<b>Bank Maes &amp; Hope NV</b>	<b>The Bank of Tokyo (Holland) N.V.</b>	<b>Bank Leu International Ltd.</b>
<b>Banque Française du Commerce Extérieur</b>	<b>Banque Générale du Luxembourg S.A.</b>	<b>Banque Bruxelles Lambert S.A.</b>
<b>Banque Internationale à Luxembourg S.A.</b>	<b>Banque de Neufville, Schlumberger, Mallet</b>	<b>Banque de l'Indochine et de Suez</b>
<b>Banque Rothschild</b>	<b>Banque de l'Union Européenne</b>	<b>Banque Populaire Suisse S.A. Luxembourg</b>
<b>Baring Brothers &amp; Co.,</b> Limited	<b>H. Albat de Bary &amp; Co. N.V.</b>	<b>Banque Worms</b>
<b>Bayerische Landesbank</b> Girozentrale	<b>Bayerische Vereinsbank</b>	<b>Bayerische Hypothek- und Wechsel-Bank</b>
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<b>Christiania Bank og Kreditkasse</b>	<b>Citicorp International Group</b>	<b>Chase Manhattan</b> Limited
<b>Crédit Commercial de France</b>	<b>Crédit Industriel d'Alsace et de Lorraine</b>	<b>County Bank</b> Limited
<b>Crédit Lyonnais</b>	<b>Crédit du Nord</b>	<b>Crédit Industriel et Commercial</b>
<b>Daiva Europe N.V.</b>	<b>Dan Danske Bank</b> Aktiengesellschaft	<b>Creditanstalt-Bankverein</b>
<b>Dan norske Creditbank</b>	<b>DG Bank</b> Deutsche Genossenschaftsbank	<b>Debrück &amp; Co.</b>
<b>Dewey &amp; Associates International S.C.S.</b>	<b>Dillon, Read Overseas Corporation</b>	<b>Deutsche Girozentrale</b> — Deutsche Kommunalbank — Domition Securities — Limited
<b>Drexel Burnham Lambert</b> Incorporated	<b>Effectenbank-Warburg</b> Aktiengesellschaft	<b>Euromobiliaria S.p.A.</b> Compagnie Europea Intermobiliare
<b>Euro-Pacific Finance Corporation</b> Limited	<b>European Banking Company</b> Limited	<b>First Chicago</b> Limited
<b>Robert Fleming &amp; Co.</b> Limited	<b>Gafina International</b> Limited	<b>Girozentrale und Bank der österreichischen Sparkassen</b> Aktiengesellschaft
<b>Goldman Sachs International Corp.</b>	<b>Greenshields</b> Incorporated	<b>Groupement des Banquiers Privés Genevois</b>
<b>Hambros Bank</b> Limited	<b>Hessische Landesbank</b> — Girozentrale —	<b>E. F. Hutton &amp; Co. N.V.</b>
<b>Industriebank von Japan (Deutschland)</b> Aktiengesellschaft	<b>Internationale Genossenschaftsbank AG</b>	<b>Istituto Bancario San Paolo di Torino</b>
<b>Kjøbenhavns Handelsbank</b>	<b>Kleinwort, Benson</b> Limited	<b>Kreditbank N.V.</b>
<b>Kreditbank S.A. Luxembourgaise</b>	<b>Kuhn, Loeb &amp; Co. International</b>	<b>Kuwait Financial Centre S.A.K.</b>
<b>Kuwait Foreign Trading Contracting &amp; Investment Co. (S.A.K.)</b>	<b>Kuwait International Investment Co. s.a.k.</b>	<b>Kuwait Investment Company (S.A.I.C.)</b>
<b>Lazard Brothers &amp; Co.,</b> Limited	<b>Lazard Frères et Cie</b>	<b>McLeod, Young, Weir &amp; Company</b> Limited
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<b>Samuel Montagu &amp; Co.</b> Limited	<b>Nesbitt, Thomson</b> Limited	<b>The Nikko Securities Co., (Europe) Ltd.</b>
<b>R. Nivison &amp; Co.</b>	<b>Nomura Europe N.V.</b>	<b>Norddeutsche Landesbank</b> Girozentrale
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<b>N. M. Rothschild &amp; Sons</b> Limited	<b>J. Henry Schroder Wegg &amp; Co.</b> Limited	<b>Schröder, Münchmeyer, Hengst &amp; Co.</b>
<b>Singer &amp; Friedlander</b> Limited	<b>Skandinaviska Enskilda Banken</b>	<b>N.V. Stevenburg's Bank</b>
<b>Smith Barney, Hennis Uphem &amp; Co.</b> Incorporated	<b>Société Générale</b>	<b>Société Générale de Banque S.A.</b>
<b>Société Séquanaise de Banque</b>	<b>Strauss, Turnbull &amp; Co.</b>	<b>Svenska Handelsbanken</b>
<b>Trinkaus &amp; Burkhart</b>	<b>UBS-DB Corporation</b>	<b>Verband Schweizerischer Kantonalbanken</b>
<b>Varains- und Westbank</b> Aktiengesellschaft	<b>J. Vontobel &amp; Co.</b>	<b>M. M. Warburg-Brinckmann, Wirtz &amp; Co.</b>
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<b>Westfalenbank</b> Aktiengesellschaft	<b>Williams, Glyn &amp; Co.</b>	<b>Dean Witter International</b>
	<b>Yamaichi International (Europe)</b> Limited	

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Managers to improve own efficiency

### UEW to propose new rule

**ATTEMPT** to bring forward a meeting which will do to determine how an industry pay claim is to be handled in the coming year is expected at a meeting of the Unions of Management and Industry (UMI) on Monday.

The UMI, a policy-making national body of the union's engineering section, has been set up in November to bring its members' views on the industry pay claim to the attention of the Government.

Members of the union's executive committee, who were to meet on Monday, are expected to discuss the industry pay claim and to decide whether to support a nationwide strike in support of the claim.

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### Threat of national disruption in docks subsidies

**THE THREAT** of disruption of Britain's docks this autumn in pursuit of pay claims of 20 per cent and more appears to have subsided.

Attention is still focused on Merseyside, however, where 6,800 dockers are due to meet at the weekend to discuss their next step after the failure to agree with employers on a 20 per cent claim.

Mersey dockers voted to support a nationwide dock strike called by the national dock shop stewards committee which was scheduled to start next Monday.

The strike, which was largely based on the apparent readiness of Southampton dockers to stop work, they decided last week to accept a Phase Two deal.

The national committee decided earlier this week to call off the strike because of this being.

### Drivers on Victoria Line strike to-day

**By Our Labour Staff**

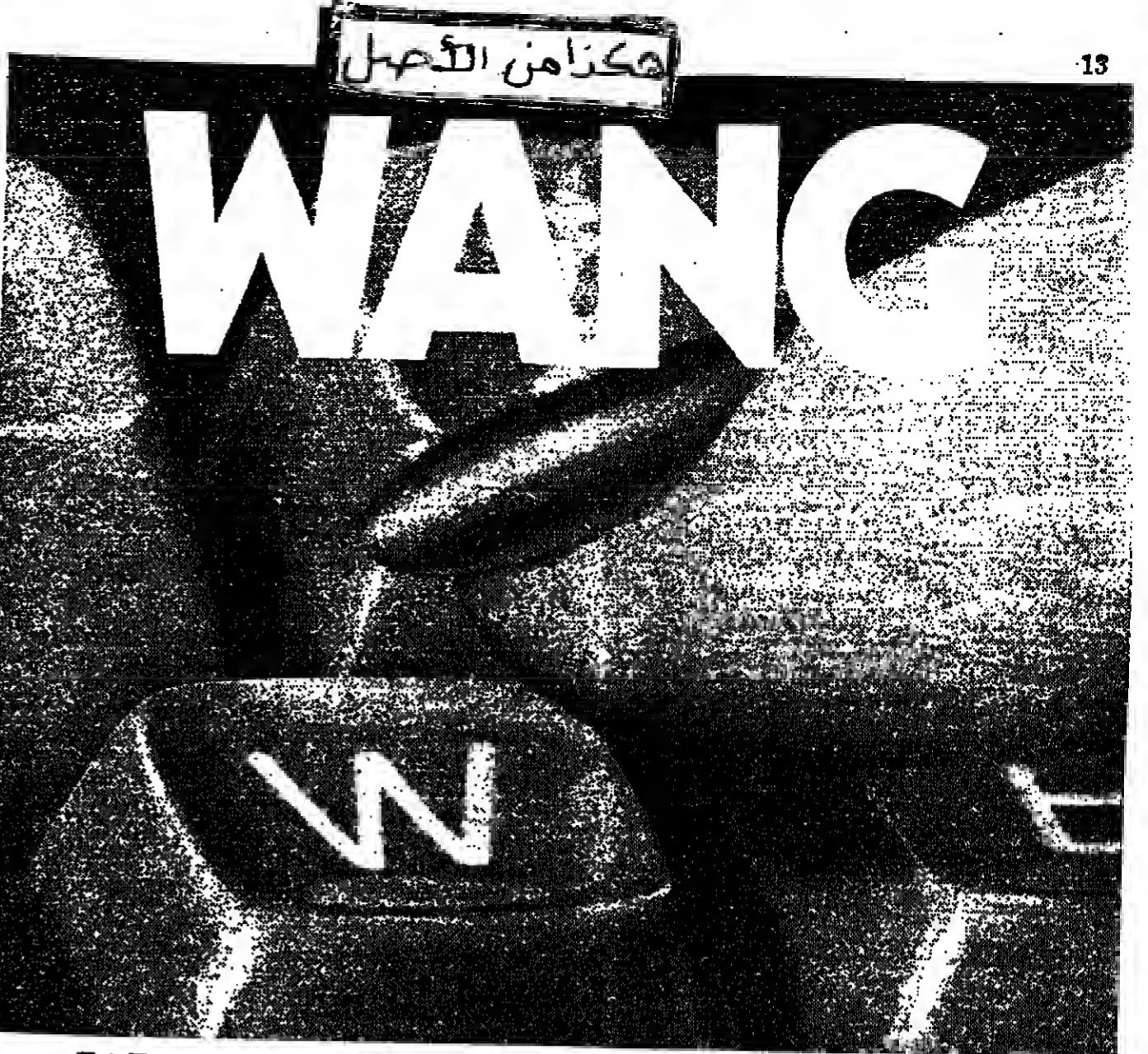
A 24-hour strike by drivers to-day is likely to lead to severe disruption of the Victoria line, London's newest Underground service.

The drivers, working out of the Seven Sisters depot, are protesting about new timetables and work rosters introduced by London Transport.

According to the drivers, most of them members of the National Union of Railwaymen, the new timetables have meant longer spells working on the underground sections of the line and have made it more difficult to take rest breaks.

Negotiations have been going on between the men and London Transport at the national sectional council level of the service's negotiating machinery without resolving the problem.

The transport authority has apparently offered to change the rosters but the alterations have not been satisfactory to the men.



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Any company that produces documents would find that word processing could help greatly. If the system is right. And simple.

Simplicity is the most important feature of Wang Word Processing.

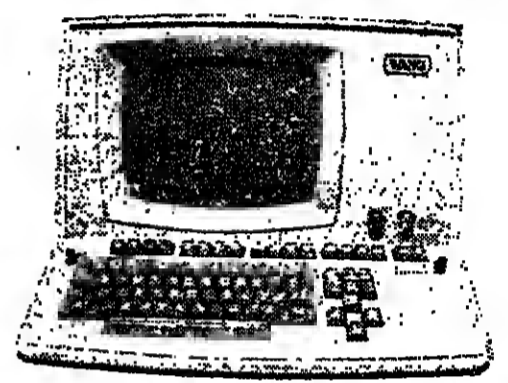
If the operator can type, he or she can be a Wang WP operator.

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Wang Word Processors have a unique feature, a screen that talks to the operator. Asks questions. Instructs the operator at every stage. And helps make the move from automatic or ordinary typewriters easy.

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### Mechanical engineers can join unions

**PROFESSIONAL** engineers were given the go-ahead yesterday to join a trade union by one of the main engineering institutions.

The Institution of Mechanical Engineers wrote to its 72,000 members giving guidelines on their relationships with trade unions. "The act of joining a trade union is not contrary to the institution's rules of professional conduct," it says. "Any member is free to join and to be represented by a trade union in matters affecting his employment."

The Institution seeks to reassure its members that joining a union is not likely to lead to conflicts of interest.

"A member joining a union, whether voluntarily or unwillingly, undertakes to observe its established rules and for the most part will find no difficulty in doing so."

The choice of a union should be left to the individual, say the guidelines. It should, preferably be one supporting the professional status of its members.

### Welders seek 36% rise from Myson

**A CLAIM** for a 36 per cent increase has been made on behalf of nearly 200 welders at Myson Heating Products of Hull.

A shop steward spokesman said after the mass meeting yesterday that they were claiming £112 for a 40-hour week to come into effect when the current pay agreement of £82 a week expires next month.

Part of the new pay deal, he said, would be to increase production by up to 16 per cent, and to accept the TUC decision on the 12 month rule.

The spokesman claimed that the men had been locked out by being asked to leave the plant when they rejected a new piece-work pay scheme.

### Accountancy students reject union

**STUDENT** chartered accountants battling for improved pay during their three to four-year training period have rejected overtures by the Association of Professional Executive, Clerical and Computer Staff to launch a membership campaign among their ranks.

### C region calls rally inst Front march

**UNIONISTS** will demonstrate to the Home Secretary against the Front to stop provocative marches by rough Hyde Green Front after protests from on October 8, said constituents about the Hyde Barnet North-West march.

He said in a statement: "If the Front is not stopped, then there will be but one way to stop them in the near future — a peaceful counteraction of such gigantic proportions by all who oppose fascism that the years of Hitler and Mussolini shall not pass. They will just be swamped."

"Meanwhile, at Hyde, a peaceful picket of town hall and council offices should be undertaken. There is no sense subjecting the police to the anger felt by demonstrators, peace against the National Front position."

Rose, Labour MP for which they should not have to Blackley, has undertaken.

### Guidelines unlikely to be 'flexible and fair'

**DAVID CHURCHILL, LABOUR STAFF**

RS and employees adherence to the Government's pay guidelines after two limits on the increase in average wage restraint to earnings nationally and 12 per cent flexible and fair," says months between rises — can be controlled by other sanctions.

It quotes a Department of Employment guide as saying: "Where a firm has reached a settlement which is quite clearly inconsistent with these policies the Government will take this into account in public purchasing policies, the placing of contracts and in the provision of industrial assistance."

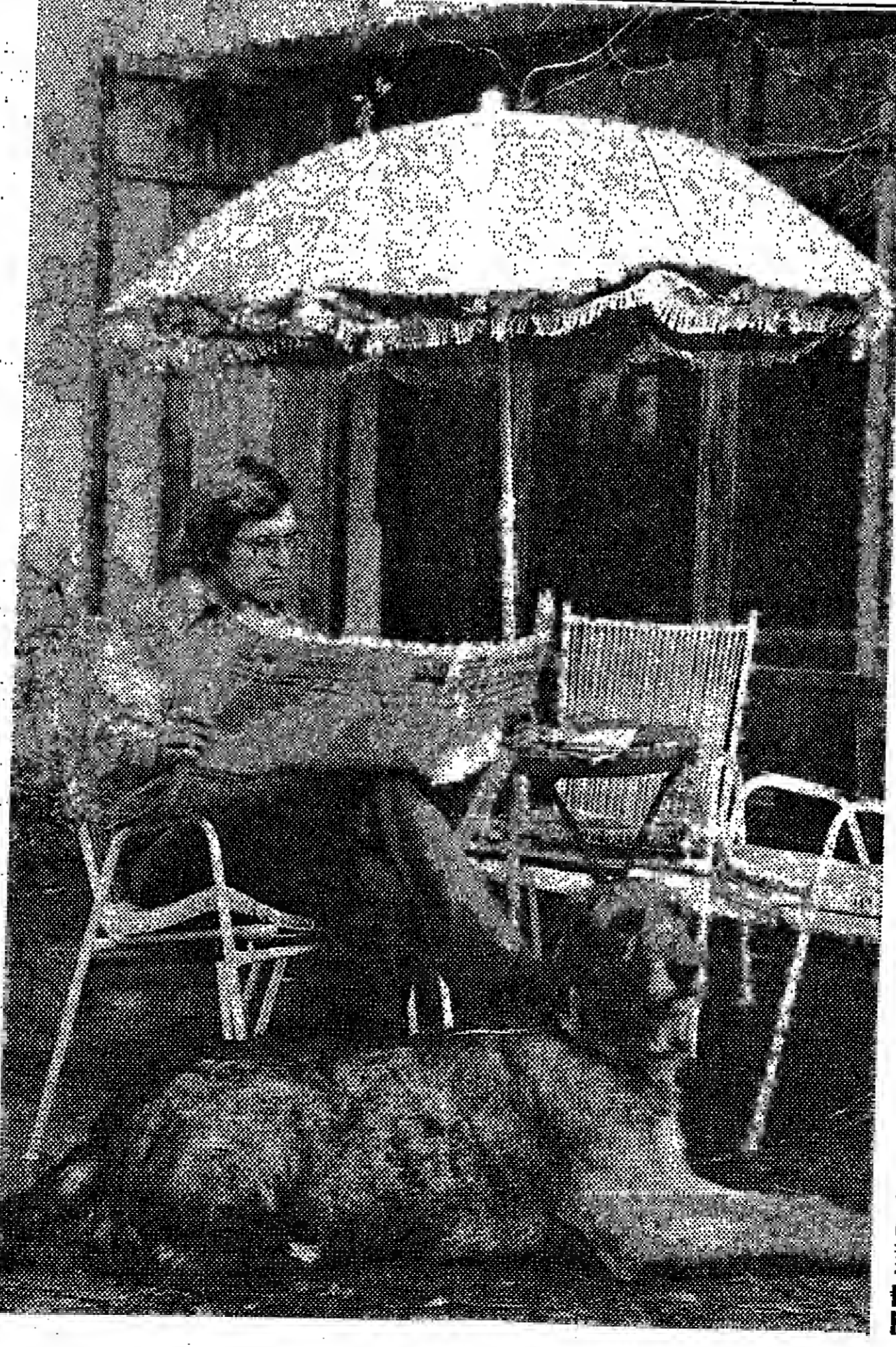
The firm also warns management to prepare for "markedly more difficult" industrial relations in the coming year than over the past two years. "Transition periods are always the most difficult." Every failure of negotiations over pay policies makes the subsequent efforts of Government, employers and trade unions less credible and subsequent changes of Employment, that much more difficult to introduce but that due or maintain."

### Drivers fear results of 35-hour working week

**AT** if a trade union industry's National Joint Council shall not be required to bring week it would consider an application for a change in operatives' conditions of employment and change in operative's conditions of employment taking effect before June 28, 1978.

But recently, the Transport and General Workers' Union has indicated that it intends to submit a claim for a 35-hour week and an immediate substantial increase in bonus payments next month.

"If the 35-hour week claim is accepted," he told the submitted, we shall reject the conference of the claim. Not only would any such concession break our agreement with the unions, it would hurt categorically that the Government's pay strategy.



### WHAT IS BETTER THAN NOT HAVING TO PAY ANY TAXES ON COMPANY PROFITS THIS YEAR?

### NOT PAYING ANY UNTIL 1990.

If you manufacture for export, the Republic of Ireland will not charge any tax on your company's profits before 1990. You can transfer your tax-free profits without restriction.

To open a factory in Ireland, you deal with one organisation only: the Irish government's Industrial Development Authority. It has helped more than 600 overseas projects establish quickly and successfully in Ireland in the last 10 years.

Your nearest office of the Industrial Development Authority is 28 Bruton Street, London W1X 7DB. Telephone Hugh Alston at (01) 629 4214 / (01) 499 6155. Ask for a total package tailored to your project: financial and tax benefits, workforce recruitment, training... whatever you need.

**REPUBLIC OF IRELAND.**  
FASTEST GROWING INDUSTRIAL LOCATION IN THE E.C.

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## DESIGN

### 3-D copy idea a major advance

PREDICTED in 1963 by Arthur C. Clarke of Space Odyssey 3001 fame, but not expected by him to be feasible for many decades, equipment with ability to reproduce the most complex three-dimensional shapes simply, quickly and with high accuracy is the subject of a patent granted very recently in the U.S.

Based on the measurement of distances in the object by laser interferometry, the equipment uses a most ingenious system of steered laser beams to generate the reproduced surface.

But the possibilities of the new development do not end there. There is no reason why the detector system, or the shape generator system, should not be based, say, in London and the reproduction unit in Sydney, the information being transmitted by land-line and satellite between the two sites. The idea behind the equipment is also being applied to the generation of three-dimensional representations of objects in the airspace around a busy airport, which should give a very long way towards making near misses a thing of the past.

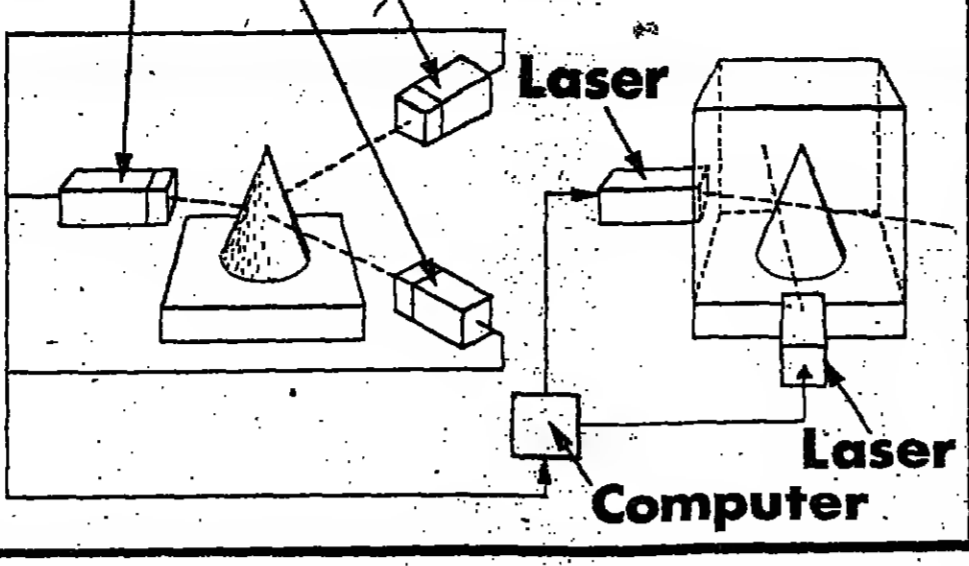
Because engineers in the electronics industry already know how to generate very fine beams of laser light and steer them accurately enough to make fine adjustments on the surfaces of complex integrated circuits, it follows that the technology of steering the two lasers for the surface definition work under the present patent is already available. It is also already possible to work with it down to very fine detail.

Because the information from the interferometers is interpreted by a small computer which from it derives the instructions to the lasers reproducing the surface, it is simple to replace the interferometers with an interactive display and keyboard with which an engineer or designer can conceive a completely new experimental shape—impossible to reproduce by standard means—and have the prototype reproduced from the screen in three dimensions without the need to make a master.

In a block of photo-resist material (that is material which after exposure to light will resist the action of solvents) the beams are made to intersect and move to describe the surface of the new object, in harmony with the interferometers which are scanning the original surface. The key is that the photo-resist is not affected by one or other laser beam, only by the combination of the two (which are of different colours) at their point of intersection.

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## Laser Interferometers



generate the pattern for a base structure and superimpose on it immediately a metal printed circuit pattern.

What the development may ultimately mean to the machine-tool and engineering industries only time will tell. But if 99 per cent of the energy fed to a machine-tool is wasted as heat in the metal debris removed to get to the required shape, the next ten years could well bring startling changes.

An American, Wyn Kelly Swainson, began work on the idea when he was in London in 1968 and the patent—U.S. Patent 4,041,476—has been assigned to Formigraphics Engine Corporation. Licensing is in the hands of Omtec Replication, POB 4282, Berkeley, CA 94704.

Commercial development of the Omtec systems is being carried out as a co-operative programme between Formigraphics and the Battelle Columbus Laboratory.

There is thus no want of thrust behind the development which is one of the most exciting in its area for many years.

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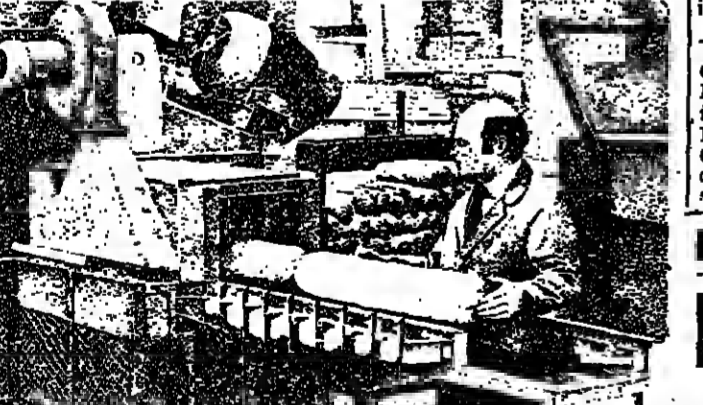
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# VACU-BLAST NEWS

## We've taken to the bottle

And taken to it in a very big way. 2000 aluminium gas bottles a day for Britain's leading manufacturer and the plant still has capacity to spare.



The problem was to etch the outer surface of the gas bottles with complete uniformity and leave them dust-free for priming and painting. No quick cosmetic coat of paint either, but a tough coating that has to stand up to an above-average share of knocks and grazes. The Vacu-Blast plant now operating in this gas bottle

## Medical instruments get Specialist treatment

No longer are medical and dental instruments highly polished—they're satin finished by blasting them with tiny glass spheres. And the reason? Polishing treatments tend to glare under the operating lights which is undesirable and, equally important, the satin-finished ones can be sterilized more effectively.

## RESEARCH

### Bus brake energy used

IN AN experiment about to be conducted in Berlin a bus is to be fitted with a pressure vessel that will store the energy otherwise lost when the vehicle brakes.

The 75 kW (100 hp) diesel engine of the bus is coupled to a hydrostatic motor/pump unit which, when connected as a drive element assists acceleration but when in circuit as a pump acts as a brake.

## MEASUREMENTS

### Measures tractor seat bounce

TO MEASURE the level of vibration that drivers are subjected to when operating agricultural tractors, earthmoving equipment, and similar vehicles, a portable battery operated meter has been developed by Envelec, Melbourn, Royston, Herts., SG8 6AQ (0763 61311).

## DATA PROCESSING

### Big impact in UK

BEGINNING TO flex its muscles in the U.K. word processing market after an impressive start dating from 1971 in the U.S., Vydec is to show its impressive range of equipment at the IBS exhibition in October.

## WIRE BRUSHES

### now confined to Barracks

The maintenance and reconditioning of Army vehicles once called for a lot of scraping and brushing—and still the deadly 'rust bug' couldn't be eradicated. Then Vacu-Blast came along with their unique portable blaster which is completely dust-free in operation.

## ENERGY

### German wind power plan

OBVIOUSLY taking wind power seriously, the West German Ministry of Research and Technology has commissioned the Air and Space Travel Research and Experimental Establishment and the German company MAN to produce construction plans for a power windmill with 113 metre rotor.

## PERIPHERALS

### Easier graphics

THE LAUNCH has now been announced of Calcomp's latest active graphics terminal in Europe.

## HANDLING

### Corrosion resistant pumps

MADE BY Kanstofftechnik A.G. in West Germany, a range of metallic centrifugal pumps conforming to ISO 2858 for 16 bar rating applications is now available in the U.K.

## REFRIGERATION

### Container freezer

BUILT INTO a standard ISO freight container, a self-contained blast freezer/chill room unit has been developed by Carronhall Engineering.

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### Bus brake energy used

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## IMM

IMM means more than metal

## PROCESSES

### Phone relay automated

ROYALWINDER OF Hainault has produced for one of the major Post Office contractors—Believe to be Plessey—a highly mechanised production line for relay assemblies.

## WASTE COSTS

### double

WORK ON the recovery of chromium acid from plating solutions carried out in France shows that, under local conditions, it should cost only half as much to extract useful metal from otherwise waste solution than to prepare the solution for disposal as an effluent.

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## Electronics Industry problem sparks off new Blasting process

The widespread use of transistors in such items as computers and television sets, has brought about an intriguing new application for Vacu-Blast equipment.

## Wire brushes now confined to Barracks

The maintenance and reconditioning of Army vehicles once called for a lot of scraping and brushing—and still the deadly 'rust bug' couldn't be eradicated.

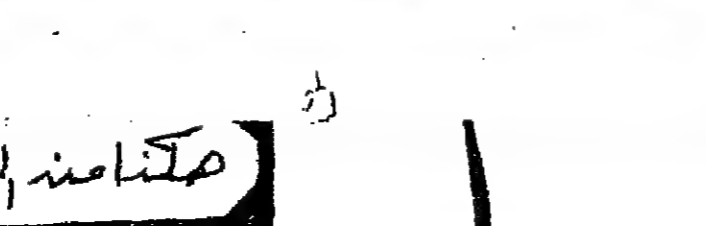
## Spiralling costs of new materials makes Reclamation vital

A leading manufacturer of household pots and pans with a world-famous name for quality, used to scrap any products where the enamel was in any way faulty.

## STOP PRESS

### 'Instant' action for coffee manufacturer

Making 'instant' coffee a highly specialised process, one of the regular problems leading 'household' coffee manufacturers was the blockage of the half-valves in the line.



# The Management Page

مكتبة الأعمال

EDITED BY CHRISTOPHER LORENZ

Part Alexander tells how a traditional knitwear company is bidding for the big league

## Jersey's religious yarn

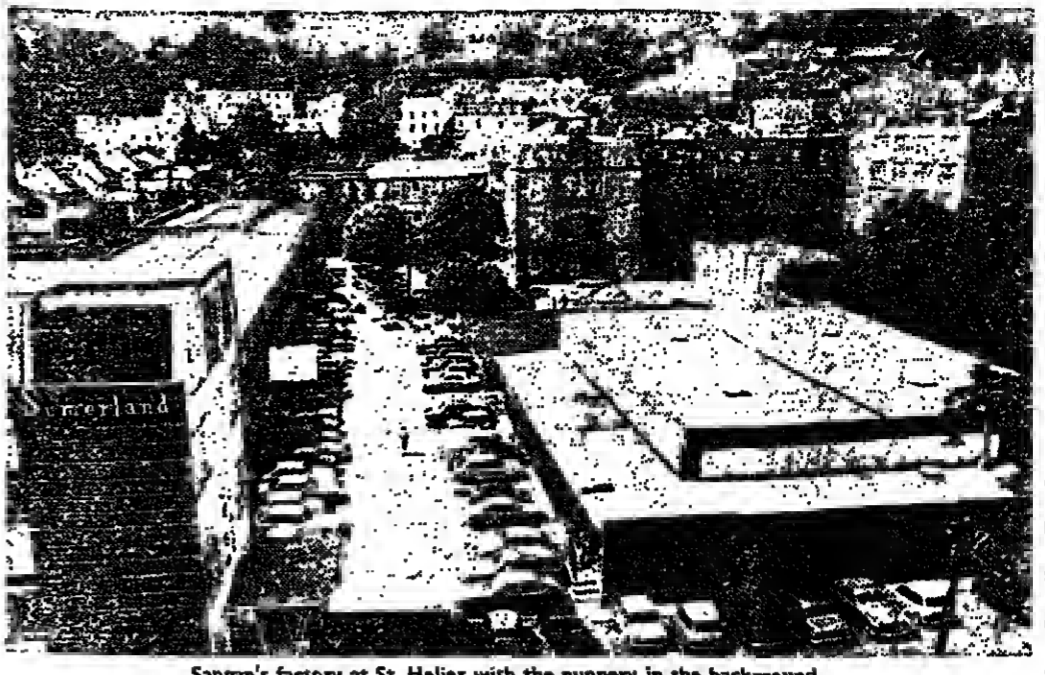
A few years ago a knitwear factory in the Channel Islands of Jersey ended every day with prayers, led by supervisors—mainly nuns. Today, instead, there is a silent union. The prayers, if any, are silent. And there is a nun left, working in control. She only speaks when the company, Pierre Sangan, more in value each year than the much better known Sumerland (Britain is part of the Channel Islands) and is the largest industrial employer on the island.

In the past eight years the factory has undergone more changes than the amount of prayers. A programme of rebuilding and modernisation has been undertaken, including the introduction of new systems, and new

new 22,000 square foot production area was built at a cost of £100,000. Production continued throughout, though at one time the building was open to the elements along one side.

This optimism continued through the early seventies, with a further redevelopment plan being put into operation. The production area was expanded to 31,000 square feet at a cost of £250,000. An administration level was built on top of the factory and a re-equipment programme of another £250,000 was completed.

Everything came together by mid to end 1975, just at the time the market turned down and interest rates were rising. An underlying problem was that over-attention to the lucrative U.K. market had led to some neglect of the hard-won overseas areas.



Sangan's factory at St. Helier with the nunnery in the background

The hot summer of 1976 and the mild winter of 1977 were difficult for the whole of the knitwear industry. So with production capacity doubled the company decided to expand its management team, strengthen its marketing emphasis and enlarge its export base.

Two new senior directors were brought in, one to take over responsibility for production, the second to take a careful look at the complicated sales structure. This relies heavily on agents scattered throughout the U.K. who work on commission and carry a range of manufacturers' clothes.

Both new directors have been set the task of tightening controls: the company has been worried about the need for improved production techniques at a time of volatile commodity prices, and at the same time it would like to have more control over its sales.

In addition, Sangan has taken on a full-time designer, though final choice, and to some extent direction, rests with the four senior managers.

There are few really well-known names in the knitwear business though most would recognise Pringle, Jaeger and Byford. By plumping for the development of its own name, Sangan is deliberately taking the more difficult course and has thereby reduced its capacity to supply the own-label trade.

This can be particularly restrictive in markets like the U.S. while the development of a new name could prove difficult in some Middle East markets, which have taken a long time to get to know and trust the old Sumerland label. Yet it is the more fashionable up-market lines; the original Sumerland label continues to be used for its more traditional middle-of-the-road garments.

link with the church, is still strong. The factory is 45 per cent owned by the Roman Catholic church of the island's capital, St. Helier, is set in the grounds of a nunnery.

The factory is the Order of St. Heart had originally intended to give the factory to the orphans of the island. Now the headquarters in Amiens is the eye on its industrial might, though ultimately lies in Rome and the

Demolish

After the war the company was returned to private ownership and began to develop the Sumerland brand name in knitwear. The first major turning point, which opened up the export side, was a decision to attend the British Industries Fair in 1947.

With the sixties came a surge in sales and the first moves towards major expansion. At the end of that decade it was decided to demolish the old granite factory building, and a

## Call for official recognition of a double standard

By MICHAEL LAFFERTY

become—for an important paper shortly to be submitted by the accountancy bodies to the Trade Department calling for the exemption of most small limited companies from the compulsory audit requirement.

The intention is that this should be replaced with a requirement that such companies' accounts should only be "reviewed" by qualified accountants, unless the shareholders opt for the full rigours of an audit.

The accountants believe that making the change stems from the new initiative within the accountancy profession to issue minimum definitive auditing standards. Up to now auditors have been presumed to be applying the same auditing standards to the ICI's of the world as to the small corner sweet shops, however nut of practice.

It seems that so long as the

profession was able to get by without codifying what were the minimum standards for conducting an audit, this contradiction was all right.

However, the arguments in favour of the exemption are considerable. To start with in the U.S., Canada, Australia and the EEC countries, most small companies are not required to have a statutory audit. So why should the U.K. be different, unless there are clear benefits to be gained from the exercise itself?

From the point of view of the directors—all the proprietors—there is clearly an advantage in having a public accountant prepare the accounts, but according to "True and Fair," the auditors' newsletter, the additional benefit of having them "audited" is marginal. "The same applies to the other shareholders who are usually small in number and closely connected with the proprietor. The

new audit standards would impose an undue burden on most proprietary companies, without giving any general benefit to shareholders, creditors or employees.

To clarify the confused situation once and for all, the article proposes that:

If a small company chooses to have an audit: the audit opinion should express a view on the truth and fairness of the accounts, and the audit should be performed to the same standard as that for a public company.

If a small company chooses not to have an audit: the accounts must be "reviewed" by a qualified accountant to a level commensurate with standards in Canada and the U.S. Any departure from accounting standards would have to be dis-

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### BUSINESS PROBLEMS BY OUR LEGAL STAFF

#### Expiry of a lease

I had a lease on commercial premises which expired in March 1978. Notice to terminate the tenancy was served by the landlords in July 1978, under Part II of the Landlord and Tenant Act, 1954, stating they would oppose the grant of a new tenancy on the grounds that they intended to demolish or reconstruct the premises and could not do so without obtaining possession. Subsequently a receiver was appointed.

In December 1975 I was served with a notice from a firm of solicitors acting for the landlords, presumably on the instructions of the Receiver, that an application to the Court should determine a rent under Section 24a of the above-mentioned Act, while my tenancy continues by virtue of Section 24 of this Act.

Does the notice served by the landlords opposing a new lease, permit him to apply to the Court for an interim rent, as there is no likelihood of the Receiver becoming involved in any building work, or does a new Notice have to be served under the above Act stating that the granting of a new lease would not be opposed before applying to the Court to establish an interim rent?

We think that your landlords' solicitors may have misunderstood the position. If you did not make an application for a new tenancy the lease will have terminated on the date specified in the Notice under Section 25 of the Landlord and Tenant Act (that is the one stating that the

#### Underpaid tax

If an employer through an innocent clerical mistake fails to implement a tax coding notice for one of its employees, resulting at the end of the Fiscal Year in a £100 plus underpayment of tax, has the employer any hope of successfully resisting a claim from the Collector of Taxes for payment of the tax so underpaid by referring the Collector to the tax payer who is no longer employed by the company?

Yes, because clerical errors are not unknown in the offices of the Inland Revenue! You will find reassurance in paragraph 136 of the Employer's Guide to PAYE (booklet P7).

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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## Business Books

- Aspects of Management by Samuel Eilon. Pergamon Press. Price: £5.00. This is a collection of essays on issues relating to the ethos of industrial enterprise—the justification and distribution of profits, the function of the Board of directors, and the ramifications of worker participation and issues associated with motivation of the individual and with styles of management.
- Statistical Analysis for Decision Making, by Morris Hamburg. Harcourt Brace Jovanovich. Price: £7.05. Designed for a first course in statistics for students of business and public administration this is also seen as suitable for students in the social sciences and the liberal arts. The emphasis is on clear presentation of the fundamental concepts and methods of statistics.
- The Management Process, by S. J. Carroll, Jr., F. T. Paine and J. B. Miner. Collier MacMillan Publishers. Price: £5.00. The readings and cases are intended primarily for undergraduates and the selections decided upon have high value in encouraging classroom discussion of ideas currently important in management.
- How to Deliver on Time, by Sydney Pauden. Gower Press. Price: £6.00. A recent survey of nearly 200 British manufacturing plants revealed that only four of them were delivering all their orders on time. Here the author has produced a practical guide for the manager prepared to organise for improved delivery.
- The Entrepreneurial Function, by Rosmer, Cooper and Vesper. Prentice-Hall International. Price: £12.75. This book uses short sections of text and related cases to explain and illustrate the functions of the entrepreneur and the particular characteristics of small business management.
- Awakening Continent, Volume One, by Heather Gilbert. Aberdeen University Press. Price: £5. This volume covers the first 60 years of the life of George Stephen, the Scots-Canadian through whose financial genius the building of the Canadian Pacific Railway was achieved.
- The End of the Road, Volume Two, by Heather Gilbert. Aberdeen University Press. Price: £10. This second volume of the Life of Lord Mountbatten continues to develop the theme of the economic awakening of the North American Continent.



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Wednesday September 14 1977

# Abolishing the local rate

THE ONE indisputable fact given very close scrutiny in the present domestic rating system is that it probably cannot be sustained for long, particularly if the same very much longer. The growth of owner-occupation and the decline in the free market for rented housing has so reduced the available evidence of rental values that the Inland Revenue's professional valuation staff have (of which there are 67) to revaluation, normally due every five years, should not be attempted. To persist with the system of rental values would sooner or later, therefore, stretch public acceptance of the stretch system to breaking point.

The alternative preferred by the Inland Revenue, and accepted both by the Layfield Committee and by the present Labour Government, would be to operate a VAT on any form of domestic sales tax in the U.S. — the property, while keeping rental values for business premises for which there is still plenty of market rental evidence. This alternative bristles with technical difficulties. It would lead to a marked change in the incidence of domestic rates on different houses on different areas, and it might be no more acceptable to many ratepayers than the present ill-liked system. But it would have the merit of reflecting the change in the pattern of house ownership, and capital value systems of local property taxes operate successfully in other countries with a high proportion of owner-occupied houses.

**Time enough**

Against that, the Conservatives want to abolish domestic rates altogether and replace them with locally variable supplements on various existing expenditure taxes. Judging from last night's speech by Mr. Keith Speed, Opposition local government spokesman, it would seem that they have yet to work out detailed proposals. But there is probably time enough for that since Mr. Speed also made it clear that Mrs. Thatcher's pledge to abolish domestic rates has now slipped well down the party's list of priorities. Reductions in income tax and repaying Britain's debts must come first, and abolishing household rates might not now be accomplished within the life of one Parliament.

However, the idea of local expenditure taxes needs to be

**No brake**

One wonders, too, whether Mr. Speed and his colleagues have considered some of the implications of abolishing household rates. The domestic rate serves, in effect, as a brake upon the level at which local councils can set the rate for local business premises. Once this link has gone, central government would be forced to remove from local authorities the power to decide their own business rate. Even if local councils received a higher Government grant as well as the yield of a local expenditure tax, they would then find that the basis upon which they now go to the market for capital loans would have been substantially eroded.

Above all, would any substitute for local rates — other than grants — be needed if, as Mr. Speed announced last night, a Conservative Government sought powers to impose a cash limit on total local spending. The freedom at present enjoyed by local authorities is essentially the freedom to vary their spending at the margin. If this freedom is lost, as it would be once a cash limit had been imposed, local councils would have no need for the power to impose locally variable taxes — on expenditure, on property, or on anything else.

# Hard slog for Pakistan army

MR. Z. A. BHUTTO, Pakistan's former Prime Minister, who was arrested on a week ago on a murder charge, was this morning granted bail by the Lahore High Court. It says a great hope for the independence of the judiciary that it should have taken this action. It also makes the army look remarkably silly. General Zia-ul-Haq, the martial law administrator, was rash enough to disclose the other day that he had personally ordered Mr. Bhutto's arrest and that he had seen documentary evidence that implicated Mr. Bhutto in the Lahore High Court — which has no love for Mr. Bhutto after the high handed way he has treated the judiciary in the past — declared that the evidence was insufficient to justify his continuing imprisonment.

**Must now decide**

The army must now decide whether to arrest Mr. Bhutto again. It has implied that it has plenty of other charges up its sleeve — though even Mr. Bhutto's release on bail now inevitably strains its credibility. Alternatively it must face the prospect of Mr. Bhutto being elected in the elections still scheduled for October 18 or emerging as such a powerful runner up that he will break through his cage. In that case Mr. Bhutto would inevitably mount a campaign to put General Zia in the dock for overturning his government.

**Slippery slope**

In these circumstances, the chances of a free and fair poll when General Zia promised when he came to power grow slimmer and slimmer. General Zia is already acting the part of head of government. He has declared his preference for the presidential system in Pakistan and made it clear that in his view the army should be given constitutional role as guardian of the nation's integrity. He has already embodied Islamic law into the judicial system. What he now seems to want is a plain civilian government of the country as occurred in 1971.

# Nationalism and the multinationals

BY GEOFFREY OWEN

AN interesting feature of last week's announcement of the new Ford engine plant in South Wales was that the company did not hold a Press conference. While it was quite happy for the Prime Minister and the Department of Industry to produce the investment as a vote of confidence in Britain, Ford did not want to be accused of lacking confidence in Germany, France, Belgium, Spain or any of the other countries where it might have put the new factory. Hence the company preferred to avoid a public discussion about precisely why the U.K. had been chosen.

This was no doubt sound public relations, but it illustrates how sensitive multinational companies like Ford must be to nationalistic sentiments in their host countries. In spite of the enormous resources, which these companies deploy, national governments do have some countervailing power. If their goodwill is lost, life for the multinational can become uncomfortable or even, in extreme cases, impossible.

Is the countervailing power sufficient? By coincidence, in the very week of the Ford announcement the National Executive Committee of the Labour Party published a policy statement calling for tighter controls over multinational companies. Declaring that multinationals were "capable of ignoring and frustrating the policies of individual governments," the statement called for firm policies to align their activities with "the best interests of the British people."

Whether or not these proposals are ever acted upon, they reflect the continuing tension in relations between multinational companies and governments. Although many of the accusations levelled against multinationals are based on ignorance or distortion of the facts, the problem which they pose for national sovereignty is real. No-one has come more to clarify the nature of this problem than Professor Raymond Vernon, director of the Harvard Multinational Enterprise Project, which has produced a stream of carefully researched studies on virtually all aspects of the multinationals' operations. He has just published a new book\* which summarises the present state of knowledge and gives his own prescriptions for reducing the tension.

As the Professor points out, there is a sense in which the power of the multinationals may be declining. In many industries, especially those producing standard products, the number of competitors has increased. The dominant position which a company like Caterpillar in earth-moving equipment

enjoyed 15 years ago has been eroded as other American multinationals, as well as large European and Japanese firms, have become more active in the major markets of the world. Although an individual national industry like the British motor industry has become more concentrated through mergers and bankruptcies, the range of choice available to customers has widened. If one looks at the global market structure, the level of concentration, as measured by each company's global output, has fallen in many industries.

In some sectors the multinationals have lost the technological or cost advantage which they previously enjoyed over local competitors. They have had to switch their effort to other fields. The process of internal decay, as illustrated by the fact that, between 1968 and 1974, 189 U.S.-based multinational enterprises sold or liquidated 717 manufacturing subsidiaries, located in foreign countries. Coming out of a total population of about 5,500 such subsidiaries, these withdrawals were not insignificant. Although 268 of the withdrawals affected fairly new ventures and thus probably represented cases where the companies had had second thoughts, the remaining 449 subsidiaries were well established at the time of liquidation.

Yet the management of multinationals is so highly developed, and so flexible, that most of them will be able to master the roller strategy, moving from product to product as their existing strengths are eaten away. There will be some casualties and, when they occur, new opportunities for national firms will be created. But, Professor Vernon believes, "even as individual subsidiaries of multinational enterprises are imperilled, the multinational form of enterprise continues to enjoy palpable benefits. The survival prospects of the multinational enterprise as an institution continue to appear very favourable. And governments cannot count on the possibility that multinational enterprises will simply fade away, thereby eliminating the seeming source of their tensions."

To the host country the foreign-owned multinational is potential as well as a source of anxiety because it is very big and very rich; it normally operates in industries which are difficult to enter and are important in the national context; its local subsidiary which interact with each other in a way designed to advance the interests of the whole; and the centre which controls this interaction is not subject to the authority of the host government.

The sense of dependence is felt most acutely by the developing countries. Yet attempts to reduce that dependence have had only limited effect. One tactic has been to oblige the multinational to form a joint venture, either with local entrepreneurs or with a State-owned undertaking. But the evidence suggests that in economic terms the host country loses rather than gains from the switch to joint venture, partly because the new entity receives less favourable terms from the parent.

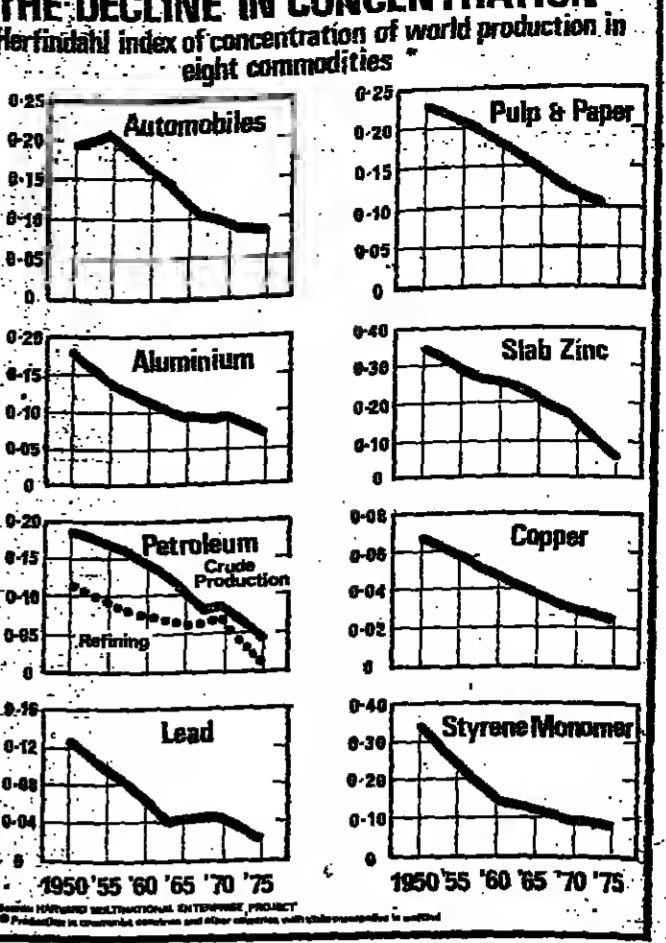
## 'Unbundling' policy

Another response is the policy of "unbundling," where, instead of taking the whole package of capital, technology and management in the form of a direct investment by the multinational, the host country negotiates separately for those items in the package which it wants. This, in effect, was Japan's policy in the early post-war period, but to make it a success requires a degree of sophistication and commitment which few developing countries can muster.

In the industrial countries multinationals have contributed to economic progress because their subsidiaries have usually been faster-growing and more export-oriented than their national counterparts. But other consequences have been less welcome. The ability to transfer investment to other countries has reduced the bargaining power of national trade unions. Because of their foreign exchange activities multinationals have the potential to destabilise currencies, although that potential has not so far been

realised to any significant extent. There are unresolved problems, too, over taxation and transfer pricing. Can governments improve their bargaining position through international action? An apparently significant move was the 1968 decision of the Andean Pact, the grouping of six Latin American countries, to deny to foreign-owned companies the benefits of participating in their proposed free trade area unless they committed themselves to a divestiture programme that would place majority ownership and control in local hands. But the practical effects have been small because of the divided interests of the member countries.

Efforts to mobilise various UN agencies, including the setting up of the Centre of Transnational Corporations in 1975, may have had some marginal influence on the attitudes of governments and companies, but this has not prevented individual countries from continuing to offer tax holidays and other special inducements to prospective foreign investors. At the same time the multinationals have bolstered their bargaining strength by developing new functions and capacities.



The graphs show how the degree of concentration in certain major industries, when looked at on a global basis, has declined over the past 20 years. This has resulted from the entry of new multinational and other companies into the markets concerned and hence a fall in the share of world output accounted for by the largest two or three firms.

NOTE: Herfindahl index is a formula for measuring the total number of companies in an industry and their size distribution. The index is the sum of the squared shares of each company. For example, if an industry has five firms each with a 20 per cent share of output and another five firms with 8 per cent, the index is (0.20)<sup>2</sup> x 5 + (0.08)<sup>2</sup> x 5 = 0.208. The more concentrated an industry, the closer the index approaches unity, which is reached when a single firm holds a monopoly.

getting more, to the exclusion of other objectives. The leaders of the industrialised countries have learned to talk about a new state of interdependence, but they have not yet assimilated the extraordinary implications of the conditions they profess to recognise. And the managers of multinational enterprises, for the most part are still at the stage of hoping that the tension will somehow go away.

The crucial issue is that of multiple jurisdiction. Any government in a position to seize some sensitive part of a multinational network has the potential for influencing the rest of the network; when Mexico demands that its foreign-owned automobile subsidiaries export their components to other markets, Detroit and São Paulo are bound to suffer. Similarly, multinational network operators, any action or reaction from headquarters, whether induced by government or not, has repercussions beyond the jurisdiction in which the headquarters sit.

The professor argues that there is a need to disentangle conflicting national jurisdictions, so that the unilateral actions of individual states will not have the effect, sometimes inadvertent, of harming other states. This would have to be accompanied by an agreement on common rules which would shape and limit national laws in relation to multinationals. On taxation, for instance, avoiding a clash of jurisdictions would require some agreed rules about how to calculate the profits of the multinational network, as well as rules on transfer prices and the allocation of central administrative costs.

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# MEN AND MATTERS

## Facing the music together

A move that would have been unthinkable in Clubland's more exclusive days — the merger of the Carlton Club and the Junior Carlton — has been cheerfully accepted by members of both establishments. It is no secret around St. James's and Pall Mall that inflation and mounting staff costs are putting pressure on all the bastions of the Establishment. Proposals for the merger, which should be complete well before Christmas, have been released by Harold Macmillan, chairman of the Carlton, and Dr. Frank Taylor, his counterpart at the Junior Carlton.

Without actually mentioning the financial aspects, they said that the joint organisation would "combine the fine traditions of the past with the needs of today" so that all clubbable Conservatives will now be able to gather under one roof in a "happy social" atmosphere. Such a promise does not come lightly from Mr. Macmillan, who maintains his own traditions by still belonging to six London clubs — and frequents them all. For the Junior Carlton, the move will in effect mean going home. The club moved down to Pall Mall in the war, yielding its St. James's premises to the Carlton, whose own property had been blitzed.

Some members of the Junior Carlton may at first find their new haunts somewhat forbidding, with the full-length portraits of former Tory premiers lining the walls. But they will doubtless be looking forward to a dash of colour joining the gallery — when the Carlton's senior lady member, Margaret Thatcher, fulfils the united dream.

Quite grandly, the Macmillan-Taylor statement says that after

the merger the membership will be elected and a waiting list established. Generally speaking, clubs in St. James's have quite forgotten those days when potential members who looked too raffish could be black-balled; if they have the fees, they are in. Not that this is to the taste of some of the die-hards. A retired brigadier glaring around the Travellers Club recently was heard to complain: "Gad, they should call it the commercial travellers' club."

## Burmese writ

FIFTEEN YEARS after the Revolutionary Council led by General U Ne Win seized power Burma has finally discarded the last vestige of British colonial justice. The system of prerogative writs, by which the jurisdiction of the country's highest court of law could be invoked to check excess or abuse of powers by inferior judicial or executive bodies, is no more.

The system of writs was taken over lock, stock and barrel when Burma gained independence from Britain 25 years ago. During the initial post-independence parliamentary regime power to issue writs of habeas corpus, mandamus, prohibition, quo warranto and certiorari was invested in the Supreme Court. But all except writs of certiorari were abolished when General Ne Win and his revolutionaries took power.

Under the new constitution, which replaces the former chief court with a new Central Court with seven elected "people's justices," there will no longer be applications even for certiorari. Henceforth any citizen who desires to order judicial or executive action quashed on grounds of illegality has to apply to the Council of State direct.

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Observer



# FINANCIAL TIMES SURVEY

Wednesday September 14 1977

مكثان الأصيل

# Argentina

The military regime in Argentina has restored economic sanity and public order, but at some cost to democratic procedures. What the world is waiting to see now is whether the junta can carry its record of success into the political field to produce a matching degree of stability and complete the country's social rehabilitation.

Inherited a legacy of political and economic chaos from her late husband, General Videla presided over an administration which in every sense of the word was becoming increasingly bankrupt. The cost of living index which in 1973, the year of General Peron's return to power, had been equal to 100 had risen by the time his widow left office to 1600. The country was unable to meet its foreign debts and Government and guerrillas were outbidding each other in the game of terror and counter-terror.

For many, perhaps most, Argentians, Peronists and non-Peronists alike, the intervention of the armed forces which General Videla himself had put off for as long as possible, came as a relief. The situation of chaos had become untenable. The fact that the armed forces had held off for so long gave them all the more excuse to operate drastically in what to most people had become an inexcusable mess. Operate drastically they did and Argentina is now a changed place from what it was a year and a half ago. Party politics has been closed down, the parliament shut, the CGT (the General Labour Confederation), the Peronist congress of unions reduced to impotence with a government appointee at its head, and guerrilla groups beaten into a shadow of their former selves.

Argentina is certainly no longer bankrupt. Helped by a record harvest and high prices

for its cereals and a great deal of loans won from foreign banks by General Videla's appointee to the Economy Ministry, Dr. José Alfredo Martínez de Hoz, the Central Bank's dispensable reserves, which were down to nearly zero in March last year, are now edging towards the \$2bn. mark. The rate of inflation, which was 38 per cent in that month is now much diminished though, at about 140 per cent a year, much higher than either General Videla or Dr. Martínez de Hoz would like. Nevertheless, the time is no more when a Peronist union official could complain, "Prices are not going up like a lift: they've taken a rocket to Venus."

## Deficit

The budget deficit is still large, \$1.3bn, or 3 per cent of GNP, but it is a great deal less in percentage terms than it was in the Peron period. Despite the efforts at stabilisation there has not been massive unemployment and the production indices are slowly creeping up. What there has been to worry the nation's present leaders is the continuing low level of real earnings which, according to the labour ministry's August figures, are for the unmarried worker only 51.5 per cent of what they were in 1960. Much of this erosion of real earnings has occurred since the coming of the Videla Government.

The economic outlook can be painted in glowing or in sombre



The military Junta. Left to right: Admiral Emilio Massera; General Jorge Rafael Videla; Brigadier (Air Force) Orlando Ramón Agosti.

terms depending on one's disposition. Some pessimists would say that it is highly unlikely that the next wheat crop will bring in the bumper amount of cash that the last one did, that the persistence of a still high rate of inflation combined with continuing low salaries will produce an explosive political mixture, that the military leaders will find themselves at sea as a nasty economic wind begins to blow. The situation, they add, will be made all the more difficult by the continuing unhappiness of Washington with the human rights record of the Videla Government and a continuing coolness towards Buenos Aires from the EEC.

Government Ministers themselves, of course, look on the brighter side. They forecast a rapprochement between Buenos Aires and Washington as the efforts of General Videla to control all forms of terrorism and all crimes against human rights bear fruit. While admitting that little or no new foreign investment has come to the country in the past 18 months they point to the big reinvestment of profits being made by foreign companies already established in Argentina. They foresee, too, a slow drop in the rate of inflation as the budget deficit is steadily curtailed and the psychological expectations about the speed at which money loses

its value are calmed. They point, justly, to the immense strength of the Argentine economy, the capacity of the farm sector to produce apparently unending supplies of cereals and meat, to the oilfields which are producing up to 90 per cent of the country's needs and to the skills of the workforce, the most technically competent in Latin America. They point, too, to the potential for developing the farm sector still further and of making Argentina into one of the world's greatest producers of processed foods rather than, as now, an exporter of raw foods. They say, again justly, that the oilfields are capable of a great deal more development, as is the whole mining sector from uranium to copper. They add that Argentina has the skills to become a major exporter of manufactured goods, even capital goods.

The economic future doubtless lies somewhere between the optimism expressed by Dr. Martínez de Hoz and his team and the pessimism of the sceptics, though it would be fair to bet on it being nearer the former than the latter.

But in the last event the future of the economy in Argentina is something of an irrelevance. No one has ever doubted that the Argentines are sitting on a stronger and more diversified economy than any in Latin America. It has always been the political question that has been the preoccupying one in the life of the country. That political question appears to be as un-

resolved as it ever has been, until it is resolved it is unlikely that Argentina will achieve the maximum realisation of its potential.

For more than three decades now the principal political fight in Argentina has been between the supporters of the figure of General Juan Domingo Perón and the forces of the establishment. Ever since he first came to prominence in the mid-1940s Perón exercised a hypnotic appeal over much of the working class of Argentina. The tragic romance of much of the country with Perón was summed up on thousands of different occasions; the brilliant life and sad death of Evita Perón, his second wife, who was the object of something approaching idolatry, the faithfulness with which his supporters held to his cause in the years between his overthrow and exile in 1955 and his return to the presidency in 1973, the grief—typified in a famous photograph of a young soldier in a steel helmet in tears during his funeral—at his death in 1974 and the continuing strength of the Perón legend even during the presidency of his third wife Maria Estela, when it was clear that Peronism was ideologically nothing more than loyalty to the leader, a loyalty which in its most successful moments was able to throw a cloak over a disparate collection of honest men, mountebanks and desperadoes, politicians of the left, the centre and the right.

Despite Perón's death and 2 months of inept government by his widow, the legend of Perón is still alive. The magic of his name is such that millions would doubtless rally to Maria Estela Perón if she were allowed out of the naval arsenal where she is at present confined and were given the opportunity of making a political appeal.

## Legend

Earlier this month in private conversation a senior naval officer commented, "The slogan 'Puto o ladrón/Queremos a Perón' is still as valid as it ever was" (freely translated the slogan means "However had he is we still love Perón"). Despite the fact that many Peronist leaders have been revealed as totally unscrupulous and that the left wing of the Peronist movement, and in particular the Montonero guerrillas, are veering off towards Marxism-Leninism the magic is still there.

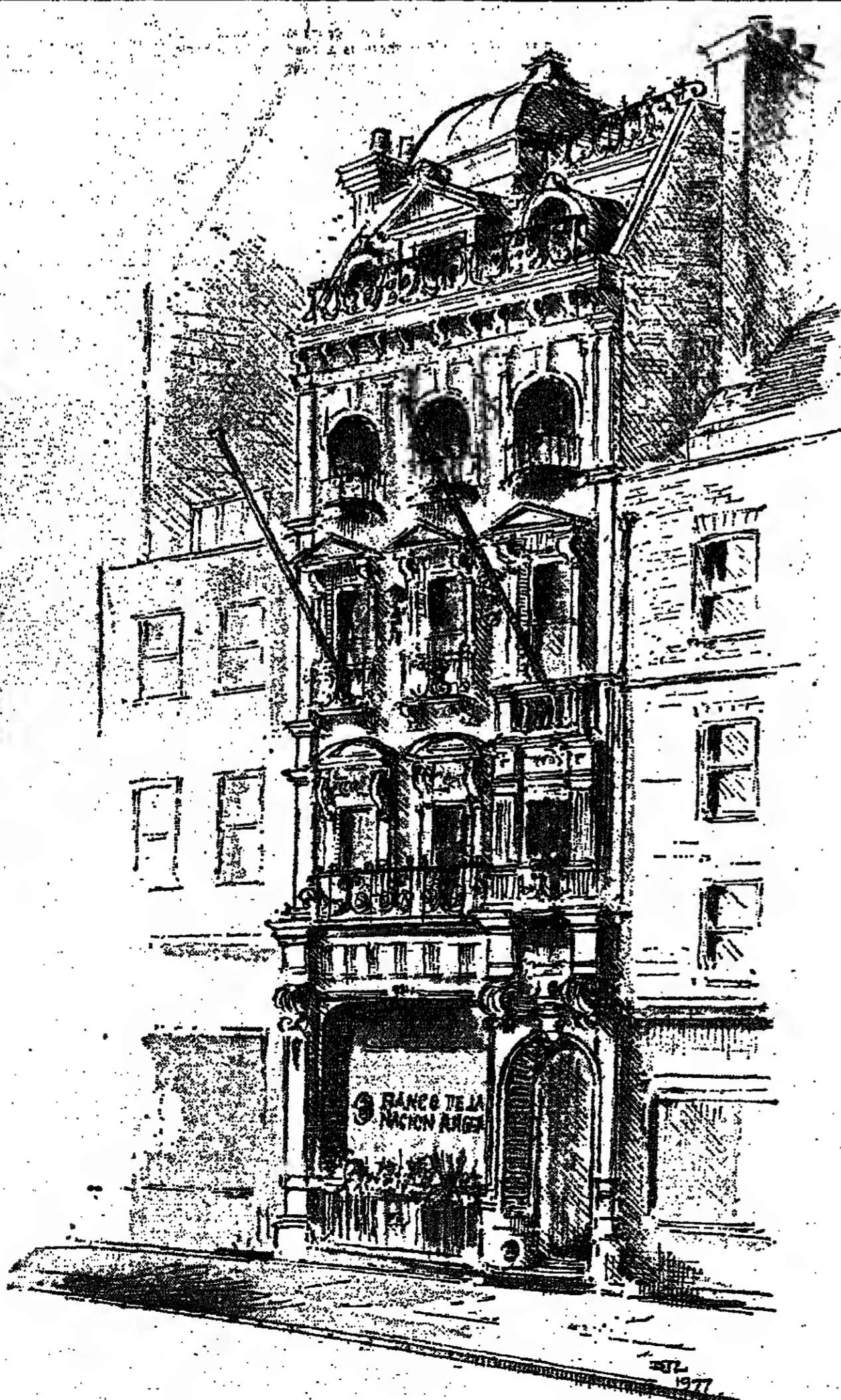
Having done their best to crush both Montoneros and the fully Marxist-Leninist ERP or People's Revolutionary Army in a campaign which had much in common with the procedures used by General Augusto Pinochet in Chile, Argentina's present leaders are putting their minds to the drawing up of a National Project or constitutional system which would ensure against any return to Peronism. This has been entrusted to the bands of General

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America Correspondent

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Maria Estela Martínez  
widow of Argentina's  
leader General Juan  
Perón. President  
tela Perón, who herself



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ARGENTINA II

A country in fear

THE VIDELA Government has had international image as far as human rights are concerned. The reason is quite simply that the record of the military authorities on this score since they assumed control of the country in March last year is a bad one.

Argentine authorities, whether military or police, have been generally successful in bushing up many of the worst cases. The information in the possession of the U.S. Government, which has moved President Carter to make his protests against human rights violations, and the detailed report published earlier this year by Amnesty International leave room for no doubt that terrible things have happened in Argentina on a wholesale scale since March 1976—as indeed to a certain extent was the case under the Peron administrations and the earlier military Governments.

What the exact toll of life has been, what the extent of the torture inflicted on the guilty, the suspects and the innocent and what has been the number of straightforward kidnappings by Government and supporters will never be known, and out of uniform. Although the Government generally presents the case that there have been no violations of human rights, some official

types of Government action since March, 1974, with between 10,000 and 20,000. One recent case of kidnapping involved a 63-year-old grandmother in the town of Mercedes, near Buenos Aires. Cases have been reliably reported of youths being shot dead by the police for painting slogans on walls.

The same sources estimate that about 6,000 people are being held without charge under the state of siege which has been in force in Argentina since the time of the late General Peron. The Government has not produced, and perhaps cannot produce, a list of those who are in its hands and those who have already met their deaths.

Task CONTINUED FROM PREVIOUS PAGE

namón Genaco Diaz Bessone who, according to the leaks, seems to be considering elections under new rules about 1991. The rules would probably seek to isolate the Peronists from any coalition with the parties which were formerly associated with them and break down once and for all the monolithic centralised power of the CGT, the Peronist-controlled labour confederation now in the power of a Government appointee.

Two years have not passed since the air force was at odds with itself. Brigadier Orlando Capellini having revolted and put his commander, Brigadier Héctor Luis Fantaric, under lock and key at the Buenos Aires downtown airport and demanded with a quotation from Saint Paul, the immediate overthrow of the Pecón government.

The army itself is not without its internal difficulties. The two main strands in the army's political thought, a populist one and an aristocratic one, were well illustrated at the beginning of the Perón period in the support and the opposition offered by the army's own ranks. In the 1960s it was led by Admiral Emilio Massera, an officer whose political subtlety is matched by few others. He has been able to lead

two army generals, both former presidents of the republic, burst into flame at the beginning of this month when General Juan Carlos Onganía accused General Alejandro Agustín Lanusse, who has just published his memoirs, of "extreme Machiavellianism" and "wanting to spread defeatism among the armed forces."

The policy differences between General Videla and his close ally General Roberto Viola on the one hand and those of General Albano Harguindeguy, the interior minister, or General Luciano Benjamín Menéndez and Carlos Suárez Mason—are the subject of daily comment in the Press.

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The capitalist approach

"ONLY GOD knows how long increases are the only means of ensuring proper services and not know how it is going to get out of it". Although Sr. Alsogaray concedes that Argentina is no longer threatened with hyperinflation, as at the time of the 1976 coup, he attacks Dr. Martínez de Hoz for not being adequately to the most serious and most important of the socio-economic problems: inflation. Specifically, Sr. Alsogaray criticises Dr. Martínez de Hoz for not going far enough, or rapidly enough, in the monetary and financial clean-up which could have some indispensable structural reforms, such as putting an end to monetary and financial manipulations, reducing to the minimum the Treasury's contributions to State enterprises and selling the "generally insolvent" State concerns. Sr. Alsogaray also thinks that Dr. Martínez de Hoz has not done enough in tax reform.

BASIC STATISTICS Area 1,08m. sq. miles Population 24.7m. GNP 1,341bn. pesos Per capita Trade (1976) Imports 454bn. pesos Exports 742bn. pesos Imports from U.K. 663.5m. Exports to U.K. 490.6m. Currency \$1=778 pesos

The keynote of his policy is the promotion of private enterprise and the returning of the State to its original functions. For example, Minister Martínez de Hoz reported that that July speech that the number of firms subject to price controls had been reduced from 724 to 370 during his 16 months in office, and he said it was his hope to bring the figure down to below 200. He lamented the fact that in this period the number of State-owned enterprises had been reduced only by 10 per cent, and that they continued to contribute mightily to the budget deficit. The Minister cited the Argentine State Railways, bought from the British in 1947, as a major deficit producer, and in saying that his only solution was to run fewer trains on fewer miles of track with reduced staffs he may have announced a rationalisation programme for the railways.

rights is still unused—reports that Argentina and Chile have rates of inflation which still exceed 100 per cent. According to the IMF, Dr. Martínez de Hoz's efforts to reduce inflation (which reached 488 per cent last year) have had considerable success: inflation dropped to 150 per cent a year by April. Sr. Alvaro Alsogaray, a former Economy Minister, who has been attacking the policy of Dr. Martínez de Hoz, virtually from the moment it was announced in March last year, said that he was to head the millitary junta's economic team; nevertheless recognises that there has been an improvement since the coup d'état. In the closing weeks of the deposed Peronist Government, Argentina was about to cease payments on its foreign debt. "A true economic order of things did not exist," Sr. Alsogaray admitted the other day in an article published by the Buenos Aires daily, La Prensa. "But he continued," he said, "it is evident that the continuing huge rate the economic policy has

entered a labyrinth, and we do not know how it is going to get out of it". Although Sr. Alsogaray concedes that Argentina is no longer threatened with hyperinflation, as at the time of the 1976 coup, he attacks Dr. Martínez de Hoz for not being adequately to the most serious and most important of the socio-economic problems: inflation. Specifically, Sr. Alsogaray criticises Dr. Martínez de Hoz for not going far enough, or rapidly enough, in the monetary and financial clean-up which could have some indispensable structural reforms, such as putting an end to monetary and financial manipulations, reducing to the minimum the Treasury's contributions to State enterprises and selling the "generally insolvent" State concerns. Sr. Alsogaray also thinks that Dr. Martínez de Hoz has not done enough in tax reform. The Buenos Aires newspaper La Nación, which probably keeps as close a watch on the economy as any Argentine publication, disagrees with Sr. Alsogaray. La Nación reports that the current situation of the peso is so solid that some businessmen prefer to borrow in dollars from foreign banks, at 8.10 per cent annually, rather than pay the enormous rates being demanded by the local finance companies. Dr. Martínez de Hoz is fostering a mass movement of savings and idle capital towards finance houses and banks. Some of the detractors of Dr. Martínez de Hoz maintain that the high interest rates being offered are persuading countless small industrialists to sell out and invest their savings, thus allowing themselves to live comfortably without working—and without having to contend with the myriad laws which beset the entrepreneur in Argentina. But that as it may, Argentina's national gross product increased during the second quarter of this year by 4.7 per cent, over the figure for the same period last year. This was the highest increase in the GNP for several years, during which—except for the first quarter of this year—the GNP had been declining.

Robert Lindley

Martínez de Hoz

THE NAME Martínez de Hoz is carved in stone at the entrance to one of the most exclusive landowners clubs in Buenos Aires on a memorial to one of its founders. The name has for a century or more been synonymous with a great deal of wealth and strong ties with the land. Dr. José Alfredo Martínez de Hoz, General Videla's Economy Minister, has fought shy of being described as one of the richest men in Latin America but he makes no secret of his attachment to the land, and his love of horses, of which he owns a considerable number, is well known.

Since his appointment to the Economy Ministry shortly after the March, 1976, coup d'état, Dr. Martínez de Hoz has followed a policy of conservative orthodoxy in economic matters, a task which has been greatly assisted by the military's decision to disband the trade unions of most of their weapons and to let prices surge ahead of wages. He has recently been defending himself vigorously against criticism from Professor Milton Friedman, who has advocated the adoption by Argentina of "shock tactics" to halt inflation. Martínez de Hoz has defined his own policy as a reaction to the "excessive gradualism" that had been used before he came to office. His policy he defines as "active gradualism" and in that as with the case of his political thought, he has much in common with Dr. Roberto Campos of



Dr. José Alfredo Martínez de Hoz, Minister of Economy.

Export successes

"SIX MONTHS that are worth a year." This headline over an article in an independent Buenos Aires weekly news magazine, Somos, is not an exaggeration. Argentina's exports during the first half of this year exceeded its exports during the first six months last year by 67 per cent, resulting in a notable strengthening of the country's foreign reserves position. These reserves in January to June this year went from \$1.38bn. to \$1.82bn., an increase of 31.2 per cent, notwithstanding the fact that the country cancelled \$44m. in outstanding future currency commitments during the period. The gross reserves at the end of June had climbed to a level unprecedented for Argentina: \$2.73bn.

Argentina's foreign trade during the first half of 1977 were achieved in spite of not very favourable world market prices. Argentina could end the year with exports totalling \$5.5bn. and imports totalling \$3.9bn. This could leave an unprecedented surplus of \$1.6bn. It should be borne in mind, of course, that exports have declined during the first half of the year because of fewer shipments ahead of the next harvest to pick up again. In his July speech at the Stock Market banquet, Economy Minister Martínez de Hoz reported remarkable progress in Argentina's balance of payments, which have come back from the verge of making the country bankrupt at the time of the March 24 coup d'état last year. By the end of the year, the balance of payments had changed from a deficit of nearly \$1.8bn. to a surplus of \$850m. The balance of payments showed a surplus of \$789.8m. for the first half of 1977. This figure was higher than the surplus achieved during the first half of 1976. Moreover, Argentina's total foreign debt at the end of June was reduced to \$560m. The truly excellent results of

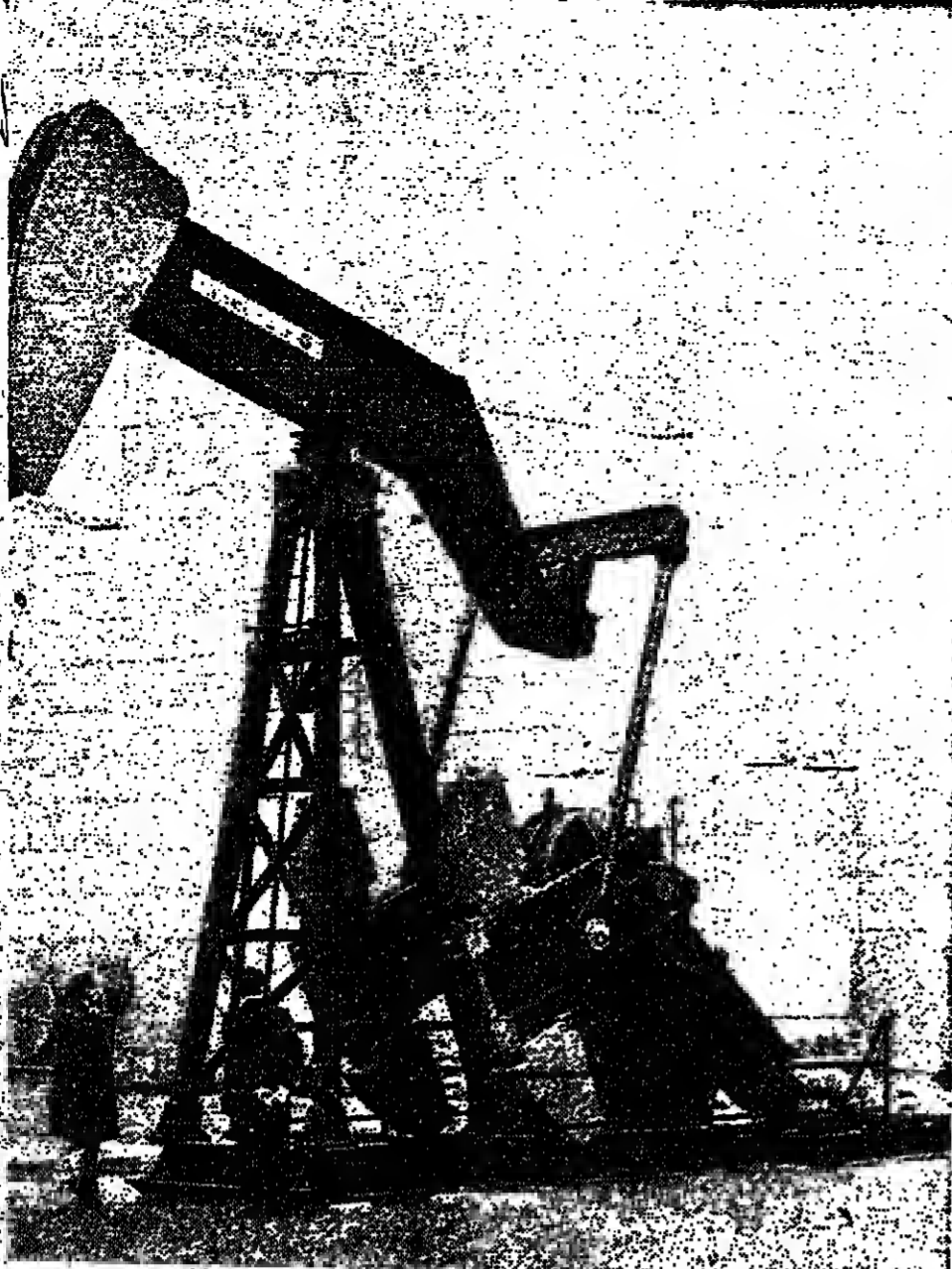
prices went up in the first six months of this year by 51.1 per cent, and the type of exchange rate by 43.1 per cent. The difference represents the variation in the wholesale price index in the United States. It is expected that this will permit Argentina to maintain a competitive level of the cross-section of the country's production in the American market, for example: all foreign trade calculations are done in dollars. Partly because of the relatively low level of Argentine imports last year, and partly because of the recovery in economic activity, imports during the first half of this year also registered a considerable increase over imports during the same period last year. The \$1.9bn. worth of goods imported during the period was 45 per cent more than during the same period last year. Last year imports declined by about 25 per cent from the levels of 1975. The 1975 level will be reached this year. Two years ago Argentine purchases abroad were activated not so much by any outstanding economic activity in 1975 as by the fact that the cost of foreign currencies was rising so rapidly that the type of exchange will keep pace with a rate equal to the increase in domestic prices, minus the price increases in the United States. This index of wholesale

Robert Lindley

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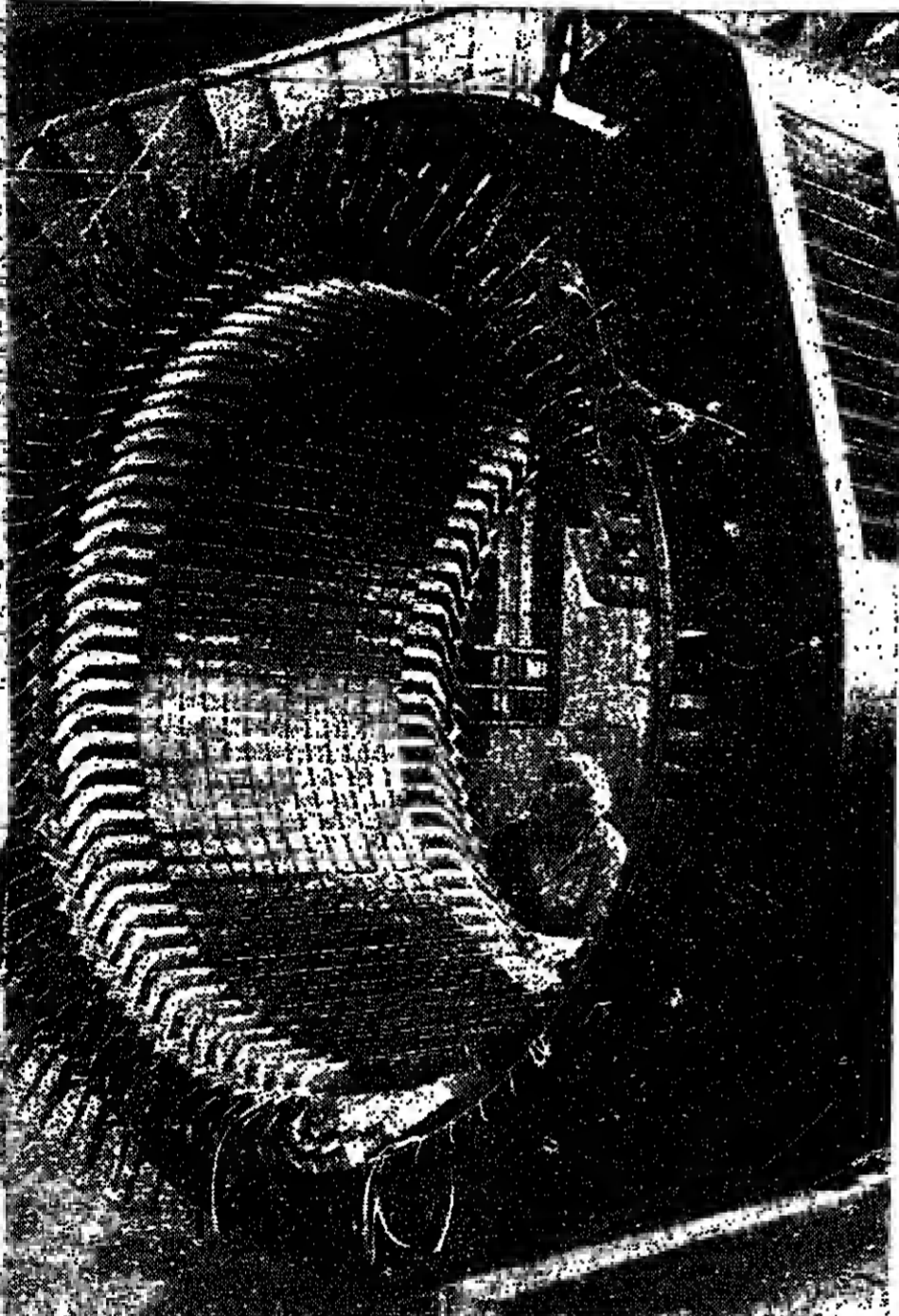
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STATISTICS



... pumping equipment, produced by SIAM DI TELLA Electromecánica Division. It has supplied 3,000 units of this equipment to the Argentine State Oil Company.

# SIAM DI TELLA

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... of a 18,750 KVA alternate current generator, for electric plant, produced by SIAM DI TELLA, Electromecánica Division plant.

SIAM is a large industry of mechanical products and heavy electro-mechanical equipment, such as petroleum pumping equipment, secondary petroleum recuperation pumps, power and high-power transformers, motorgraders, motors and generators for railways, large diameter pipes for petroleum mains and gas mains, etc. These represent 90% of the company's output. It also produces consumer durable goods, such as electric refrigerators, air-conditioners and absorption refrigerators.

As the Argentine Republic has already taken an important step in its economic recovery, the immediate priorities of SIAM are to furnish the company with modern equipment and methods of production aimed at attaining a technological perfection and efficiency comparable with the best international companies producing these types of products.

For the medium and long term we are considering carrying out a process of company expansion in accordance with the development programmes the Country is presently undertaking.

With regard to the development of the market, we must bear in mind that in the future there will be a big demand for power and high-power transformers for motors and generators for railways and good prospects for petroleum pumping equipment, secondary recuperation pumps, ironware for petroleum and tubes for secondary recuperation and gas and oil mains pipes.

Moreover, through continuous technological development and improvements in quality, the company has penetrated the U.S. market of absorption refrigerators for trailers. We estimate that exports this year will reach nearly seven million dollars.

At present we employ 5,000 people and in the first quarter of this year alone much higher production and sales were obtained than those for the same period in previous years.

In step with the Argentine Republic's recovery we intend to keep an adequate profit, so as to apply it in a greater proportion to productive investments. At the same time we shall maintain expansion in line with the general development of the country.

The present financial situation of SIAM is quite good and we don't foresee financial problems in the near future, and we are well prepared to withstand the constant changes in international financial systems.

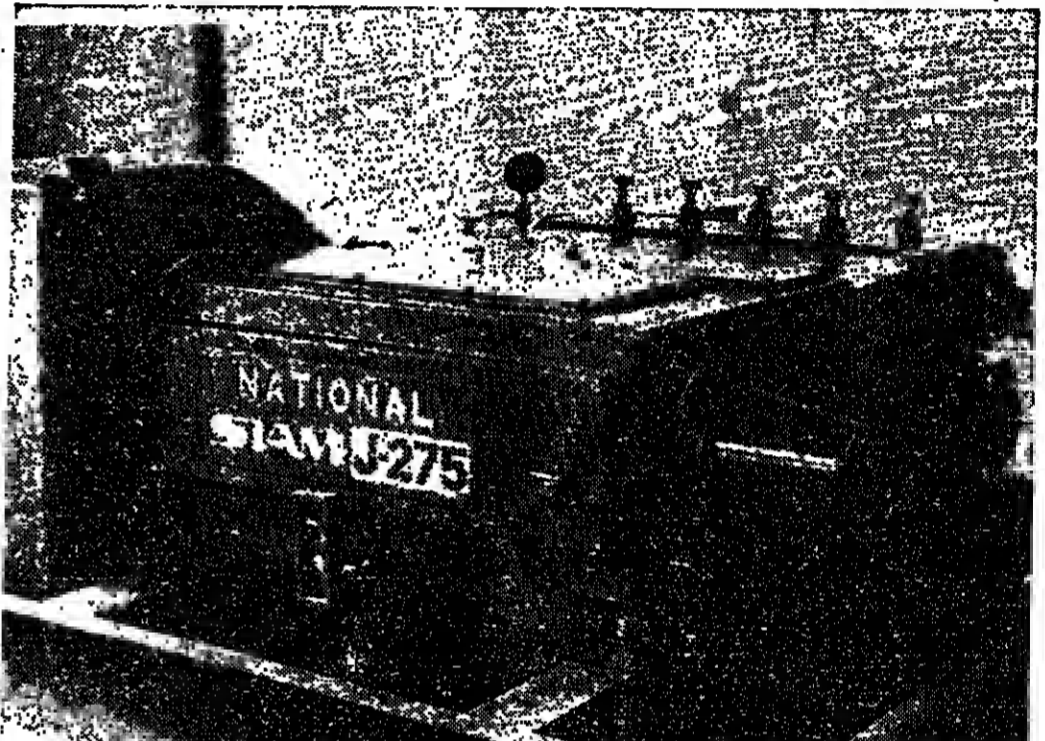
We wish to mention very especially the fact that after many years SIAM at its 30.8.77 closing, gave a dividend to its private shareholders and to the shares in the State's hands.

### SIAM DI TELLA'S FACTORIES

**ELECTRODOMESTICA DIVISION:** Located in Avellaneda, Buenos Aires Province, has a 96,620 square metre factory building and 2,200 people (workers and employees).

**SIAT DIVISION:** The plant is located in Valentín Alsina, Buenos Aires Province; the factory is a 38,731 square metre building and 1,200 people work there.

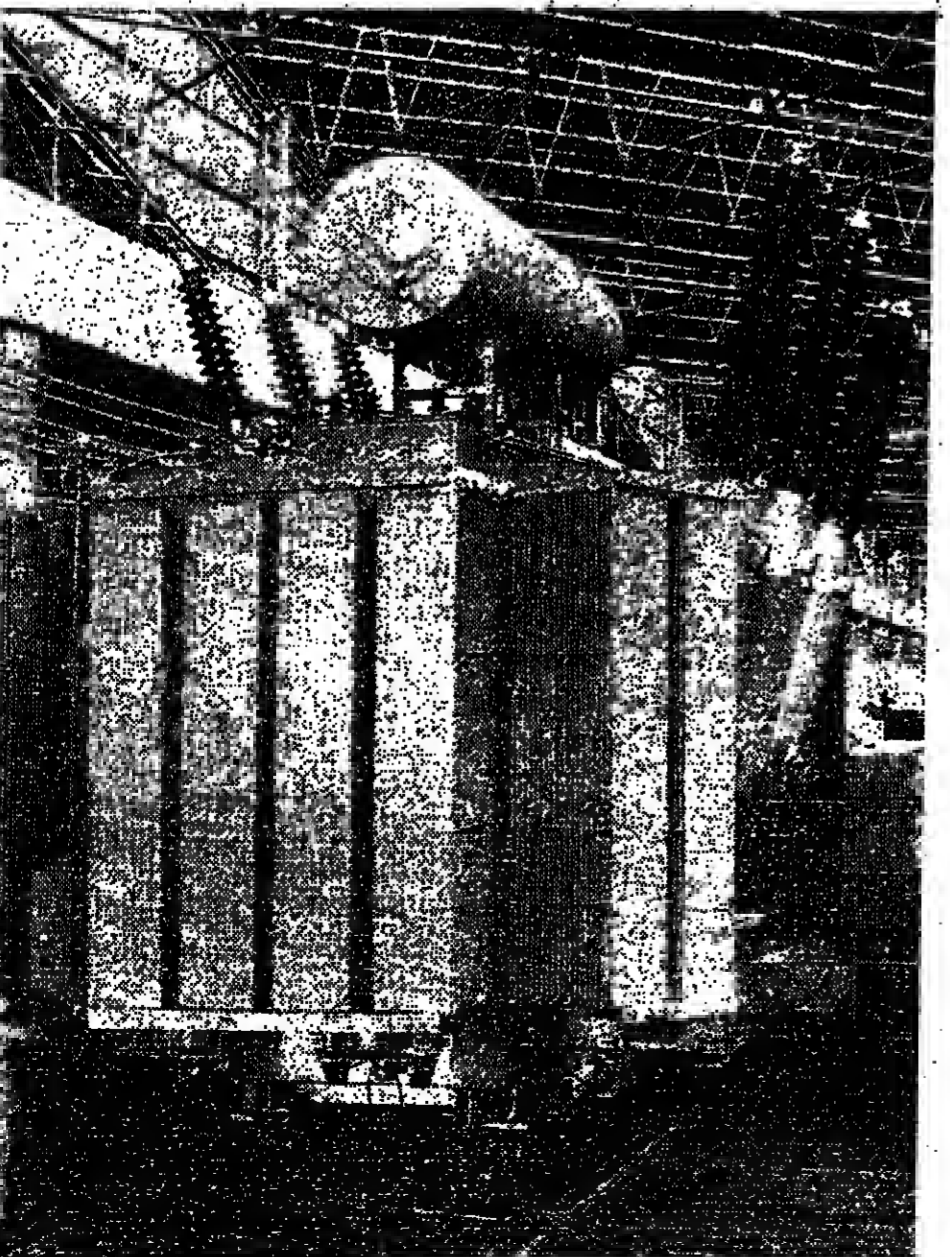
**ELECTROMECHANICA DIVISION:** The factory in San Justo, Buenos Aires Province, has 40,000 square metres and 1,500 people work there. With the employees working at SIAM DI TELLA's head office situated in Buenos Aires City, the company employs 5,100 people comprising engineers, technicians, clerks and workers.



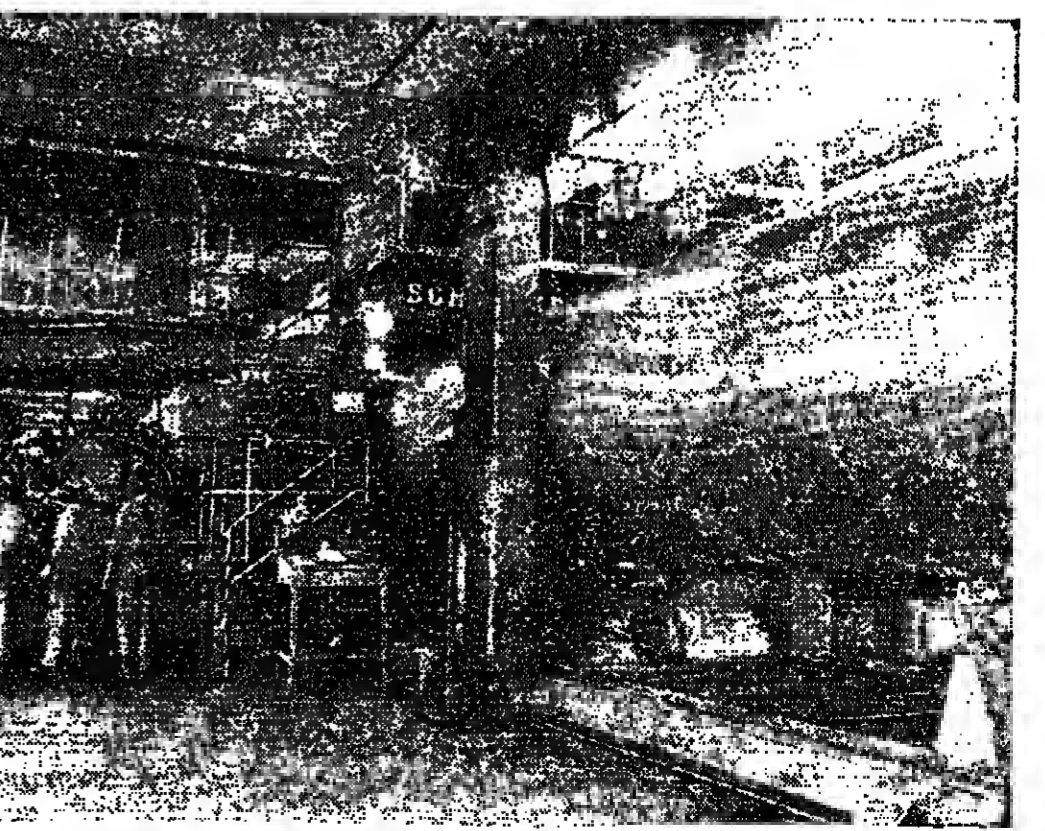
SIAM-NATIONAL pump; 2,606 cubic metres daily capacity. These pumps can work with maximum efficiency in a wide range of uses.



138 HP Motorgraders produced in the Electromecánica factory, under licence from



transformer—150,000 KVA—built in SIAM DI TELLA. The Electromecánica present able to produce units up to 300,000 MVA.



... 200000 section pipe of 2 metres internal diameter. SIAM's plant produces a wide range of pipes with longitudinal seams, for gas and petroleum mains in Argentina and other Latin American countries.

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ARGENTINA IV

Improving climate for industry

IN JULY, Argentina's Economy Minister José Alfredo Martínez de Hoz, said in a speech: "I must refer to the importance we give to the export of manufactured products, and I want to remind you that in the first six months of this year, the level of manufactured exports was more than a third higher than it was during the first six months of 1976."

ratio of 2.3 vehicles for each inhabitant. It is fair to compare the production rates of these three countries because all are experiencing incipient development of their industrial and livestock and agricultural sectors. Argentina's automotive industry was started in 1951, but its installed capacity today is below that of Brazil's, which as late as 1965 hardly had any at all.

Along with other industrialists in Argentina, the automotive vehicle manufacturers here deplore the high price tags on their products, which in some cases—most notably tractors—are double the price of comparable models in other countries. And these prices, undoubtedly will go up still further if the costs of vehicle components continue to increase.

Importing automotive vehicles, \$120.5m. worth of them last year, when total production had a value of about \$1.165bn. Industry's staple need, sheet steel, is three times cheaper in Brazil than in Argentina. Although Argentina has voluminous iron ore deposits, investors have shied away from exploiting them because of a 1919 mining code—only recently brought up to date—which allowed miners to keep their idle claims alive for a few centavos a year.

In the same July speech, Dr. Martínez de Hoz gave manufacturers in Argentina reassurances that they can depend on a solid future with a vigorous and thriving industry. But he admonished that if the country wanted a strong industry, it would have to pay for it.

Suitable

A case in point—an especially suitable one, inasmuch as metallurgy, casting, aluminum, wood, glass, textiles, leather, rubber and other elements are involved—is Argentina's automotive industry. The country's ten automotive vehicle manufacturing companies have capacity for about 350,000 units a year and in fact turned out 300,000 units as recently as 1973.

There are those here who are urging the government to permit the free import of cheaper foreign-made vehicles, a revolutionary (for Argentina) measure which would force the local automotive vehicle plants to close down. The local manufacturers naturally object, not only because such a measure would enrich the manpower, raw material sectors, tax coffers and technological development of foreign countries at the expense of Argentina, but would also cost the country annually more than \$1.4bn.—about 25 per cent. of its total export earnings—to import foreign-made vehicles.

Most important for the future of Argentina's economy, however, is Fabricaciones Militares pledge to begin exploitation of the iron ore deposits in the Sierra Grande Basin in the Patagonian province Rio Negro by the end of the year. A daily production rate of 14,000 tons of iron ore is foreseen for Sierra Grande, which is 750 miles south-west of Buenos Aires. This would mean the extraction of 3.5m. tons annually, which after being specially treated and concentrated would yield 2m. tons of pellets. The final product of the ore from the Sierra Grande Basin would be 89 per cent. iron and 0.1 per cent. phosphor.

However, Argentine industry, as well as its commerce, continues to be hampered by the controls—controls which the present regime has lifted from the farming and livestock sector, with the result that, in little more than a year, it has emerged from bankruptcy to become the most important support of the national economy. The Buenos Aires daily La Prensa asked editorially the other day: "Why not extend this policy, without limitations or reservations, to all the country's industrial and commercial endeavours? Official measures of control over work and production and especially on prices continue to weigh heavily on the spirit and the decisions and entrepreneurs of different economic sectors."

They contend, surely correctly, that there is a potential base here for the development of the industry beyond its present volume. And in fact at its present rate of growth, the Argentine automotive industry would need 26 years to reach Australia's and New Zealand's

Second What amounts to a new steel plant, to permit Argentina's economic take-off, is now being implemented. SOMISA has put its second mill into operation and is proceeding with its plan to construct a third converter at its San Nicolás plant. The privately-owned DALLME Siderca's new direct reduction plant this year will achieve its full production capacity. Lucini, also privately-owned, has just bought La Cantabrica, whose installations had passed to the state. Fabricaciones Militares (Military Factories, in the hands of the armed forces) is continuing the organisation of a financial structure which will permit the establishment of the state-owned SIDINSA. And the privately-owned Tamet is completing the first stage of a programme of higher production levels of cast iron.

Also, by way of trying to help exports, industrial as well as others, the government has approved the establishment of 66 commercial offices in 50 countries.

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Argentina's traditional beef exports to Europe suffered as a result of EEC regulations—but they are beginning to pick up again.

A new bloom in agriculture

IF ARGENTINA'S gross foreign reserves went from \$1.38bn. to \$1.82bn. in the first half of this year—to total an unprecedented \$2.73bn. at the end of June—and if the national gross product has been growing this year for the first time in several years—4.7 per cent. in the second quarter alone—the sector mainly responsible is agriculture and livestock. Grain exports from January to June totalled 10.5m. tons, a 40-year record, not just for half-year but for full-year periods. And it is altogether possible that Argentina's meat exports this year will reach 500,000 tons, which would be double last year's figure.

Looked at another way, the 1976-77 harvest was 18 per cent. larger in volume than the 1975-76 harvest. But the increase in the volume of cereal grains in the 1976-1977 harvest was 33.3 per cent. over the previous harvest, and the volume increase in the oleaginous harvests—linseed, sunflower seed, soyabean—was 47.7 per cent. In the first quarter of this year, the exports of farm and livestock produce, in whatever state, totalled \$1.05bn. in value. "I think," said Economy Minister José Alfredo Martínez de Hoz in July, "that this calls for homage to the agriculture and livestock sector and to all those sectors which have had a part in the mobilisation, transport, storage and shipping."

free competition, an industry which was bankrupt has become the most important in the national economy. The question now is, can this situation be prolonged? It is possible, of course, but the conditions which brought about the Argentine rural sector's revival are not likely to be repeated soon. For example, Celestino Pereda, president of the Argentine Rural Society, believes that the area seeded to wheat this year will be 20 per cent. smaller than it was last year, both because of the drought which has beset Pampa and Buenos Aires Provinces—the Argentine bread basket—and because the world market price for wheat is depressed already and is likely to decline even more because of the big harvests and growing stocks in the U.S. and Canada.

Also, by way of trying to help exports, industrial as well as others, the government has approved the establishment of 66 commercial offices in 50 countries.

So it is that in slightly more than a year, by giving free rein to the rural sector so that it could deploy itself by the precepts of private initiative and

the outlook for a smaller wheat harvest in Argentina next season could be offset by bigger oleaginous crops and by a small increase in the sorghum and maize harvests. But the placing of the sorghum export surplus could be prejudiced by the fact that Japan, the biggest market for Argentine sorghum in spite of the long haul to Yokohama, has had to pay 10 per cent. more in freight charges for shipments from Argentina since the beginning of the month by decision of the Far East-River Plate Conference. Be that as it may, an encouraging sign for Argentina is that the sales of tractors and agricultural machinery in general have increased enormously here in the last few months.

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Wine begins to travel

THE STATISTICS about wine production in Argentina, like that about such other countries as large as this are numbering in size and complexity, the quality of their product or indeed to establish and maintain good names. It is still very about 35m. hectolitres of wine every year from 32m. tons of grapes culled from 360,000 hectares of vineyards and passed through 2,000 wineries. The Argentine drinks on average 88 litres of wine a year, that is to say he and she wash down about a litre of wine for every kilo of meat that they consume. The consumption of wine comes as naturally to an Argentine as it does to a Frenchman or an Italian or a Spaniard. It is cheap and easy.

The first vines arrived in Argentina in the mid 16th century, brought and tended by the Jesuit missionaries. They have since prospered and expanded in a region from the northern province of Salta, down the spine of the Andes mountains to San Juan and Mendoza, now the wine producing areas par excellence, to Rio Negro in the south and in the central province of Córdoba. The soil is good, the sun abundant, irrigation natural or artificial, abundant and labour not expensive. The product is strong, healthy and not very refined.

be changing. Though it has represented only a little more than 1 per cent. of the country's production the export trade is being given increasing attention and the controls on quality and labelling for export are being tightened up by the Government.

The original vines planted by the Spaniards, a hardy and prolific bred now called criollo or creole, have since been joined by numbers of other types from Cabernet and Pinot Gris to Riesling and Muscatel.

Argentina's wine export trade was given its first boost by the Government of General Onganía in the late 1960s. Since then it has carved out small niches for itself in Latin America and, in particular, Venezuela. The principal buyer of late has been the Soviet Union, which has purchased big quantities of the cheapest wines. The U.S. has taken some of the finer qualities. In the first half of this year wine shipments have risen by the surprising figure of 406.2 per cent. to 19.5m. litres at a value of U.S.\$3.3m. Of that total more than two-fifths went to the Soviet Union. In the first half of the year, too, the sales of Argentine musts abroad increased a substantial 119 per cent., Jaraiz being the largest purchaser.

The export effort has been planned principally by consortia of wine-producers such as Vinos Argentinos and Seagram, U.S. based trader which signed long-term contracts for the export of a number of Argentine producers such as Suter and Bianchi.

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The future of Argentine red meat exports has much to do with what happens in the EEC, which as a result of the financial crisis in mid-1974 reduced their imports to protect their trade balances. This cut the world market for red meat by about 1m. tons—notwithstanding that, according to a recent study by the Argentine Government's National Meat Board, steers sell for \$1.50 a kilogramme on the hoof in Denmark, \$1 in the U.K., \$1.70 in West Germany, \$1.95 in France, \$1.55 in Italy, \$1.50 in Spain (in Japan \$3.80), compared with \$0.36 in Argentina. The reduction of imports by the EEC in 1974 sent the world market price of a ton of red meat from about \$1,000 to \$500. This hit the Argentine economy hard. 1—Its meat export dropped from 580,000 tons to 280,000 annually. 2—Not only was the export volume halved but the price per ton for which could be placed abroad was halved as well, reducing its earnings to a fourth of what they had been. 3—Inasmuch as raw materials on the world market are quoted cash down, final succubation developed.

The EEC countries are buying Argentine red meat again, is evident by the recent figures, but the market has been completely re-established. Most observers, including the Rural Society, believe that the certain that this will not be about, and that the world market price will not rise again until the EEC countries liquidating their huge stocks hand. This liquidation is in process, and it was hurried by the drought in Europe's year. "But," said Sr. Pereda, "the only way to put an end to the surplus is to stop subsidising agricultural and stock production," which thinks the EEC countries doing "in a most absurd way."

Cheaply

The Argentinians are using buying beef cheaply, and eat between 80 and more 100 kilogrammes of it per capita annually, depending on state of the world market good export years, about 25 cent. of Argentine beef production is sold abroad; in export years, this is reduced about 10 per cent. Right in the severe drought in recent months has made more available for domestic consumption, and at cheaper prices, would otherwise be the because more is being put on to the local market fitting. "In real money," Sr. Pereda, "the price of beef has dropped since February." He added: "I must stop thinking that we get everything dirt cheap at expense of the agriculture livestock sector, while we 100 per cent. more for cars tractors; than they cost on international market."

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ARGENTINA VI

# Ambitious shipping plans

WHEN THE Argentine Government decided, at the beginning of the Second World War, to form its own merchant navy, the British editor of the English language daily, Buenos Aires Herald, wrote a leader disparaging the seafaring skills of the Argentines and headlined it "Gauchos at the wheel." At the time, the leader exacerbated the already more than latent Anglophobia among many elements in this country. The Herald is still trying to live down the leader, as was admitted by its current editor, another Briton, in the newspaper's 100th anniversary edition a year ago.

To-day "Gauchos" are at the wheels of the 48 ships which make up ELMA (Empresas Lineas Maritimas Argentinas) the national shipping line. Combined, they add up to a 575,000 tonnage. This year the line will add six new freighters to the 34 it already has, and ELMA's plan is to incorporate 29 new vessels within the next five years. Ten will be built in local shipyards and the rest in Spain, West Germany and Britain. The investment required for this is estimated at \$152m, which ELMA expects to get from foreign banks. In 1940, the national shipping line started with a tiny fleet of ships whose average age was more than 21 years. By 1945, it had increased to 45 years but now it is about 19 years and—predicts retired Rear Admiral Pablo F. Belaustegui, named President of ELMA in May last year, two months after the coup d'état—it will drop to slightly more than seven years by 1978.

**Withdrawal**  
Admiral Belaustegui has not only ordered the withdrawal of obsolete vessels from the ELMA fleet and embarked on a campaign to build or purchase new ships to augment it, but has managed to cut down operating costs considerably. In the first six months of 1975, for example, ELMA lost more than \$9m, but in the same period last year made a profit of more than \$2m.

Admiral Belaustegui's principal concern, adding ships to ELMA's fleet, is prompted by the Government's drive to increase exports. "In regard especially to refrigerated ships," Admiral Belaustegui said recently, "16 of the vessels to be

incorporated will increase by 7,500 tons the capacity to transport refrigerated products because each one will have a refrigerator hold." The present refrigerator capacity of the ELMA fleet is 20,000 tons. Admiral Belaustegui said: "It is foreseen not only that exports of fresh meat, poultry and dairy products will increase, but also that the Government will give a boost to fishing activity so as to increase substantially exports of frozen fish." He added that this plan has been under reconsideration by ELMA for some time and announced the Government's imminent decision to call for bids internationally for the purchase or construction of several refrigerated vessels to meet the medium term demand.

**Profit**

Notwithstanding the fact that several obsolete ELMA vessels from service, with the result that the line is transporting less freight, it is known that the fleet made a considerable profit—exactly how much has not been announced—during the first half of this year. The ELMA president ascribes this achievement largely to the severe measures taken during the second quarter of last year to reduce costs and superfluous expenses by rationalising provisioning, reducing personnel and, on the termination of contracts, getting rid of leased vessels. Another factor, he said, was the implementation of precise labour norms, which have been respected, in the port of Buenos Aires, resulting in lower operating costs.

As Admiral Belaustegui sees ELMA's future, the incorporation of vessels now under construction will result, on the one hand, in the raising of the personnel's professional ability, making it possible for them to handle the new propulsion, navigation and communication systems. On the other hand, the Admiral says, technologically advanced vessels will lead to the reduction of crews because the new ships will be automatic to a greater degree.

Argentina's shipping is performed by State-owned companies—the River Fleet and the fleet of the State oilfields combine, YPF, as well as ELMA—and by private companies, the

two sectors being divided about half-and-half in tonnage. Annually the country generates about \$500m. in freight charges, only about a third of which remains here.

Argentina's shipbuilding industry can now offer vessels to foreign purchasers at competitive prices. Latin American merchant navies' demands for vessels are growing. Venezuela, especially, has an ambitious equipment plan for its national line: the purchase of vessels worth \$1.5bn. by 1980. Ecuador is equipping itself with ships and has earmarked \$800m. to acquire them. Colombia, too, is in the market.

According to Horacio Salduna, an Argentine maritime transport adviser to the Organisation of American States and to the Latin American Free Trade Association, the most likely purchasers in South America of vessels made in Argentine shipyards are Venezuela and Colombia. "I think Argentina is in a better position than Brazil to place its ships," says Sr. Salduna.

"With Colombia and Venezuela we have an unfavourable balance of payments. So from a trade point of view, both are more interested in buying ships from Argentina than from other countries. And our vessels have good technology, high quality and suitable prices and moreover are sailing on all the seas to prove it."

**Competitor**

There is no doubt that Brazil is Argentina's only serious Latin American competitor. But the Argentine industry is burdened with difficulties which the Government is endeavouring to remove. Citing Venezuela and Ecuador's says that "we also understand



The harbour and docks in Buenos Aires.

projected spending on ships, that there are certain units which cannot economically be pointed out, made this statement before the Government set up a commission to study the matter. The buyer of a ship notices about relating the "buy Argentine" law. It is necessary to provide it with the "buy national" law. Equipment that can be replaced in any part of the world." Sr. R.L.

Arnaldo Martignoli, vice president of the Argentine shipbuilders, Astilleros Alianza, says: "These figures speak for themselves about how important it is to win that market, and if the bureaucratic restraints which Argentina imposes on its shipbuilding industry are not rapidly reformed, it will be won by the Brazilians. If we change the Argentine mentality in all the offices and authorities who have anything to do with the construction of a ship, the hopes of the Argentine shipbuilders might be realised." He adds that the shipbuilders are defenders of local industry but says that "we also understand

## Remedying the railways' ills

IN 1974, on the last day of the depression and the war. By 1967 only 49 per cent of the network's steam locomotives—hands, a young land and cattle broker took the night train from Buenos Aires to Rosario, the grain port on the River Paraná 180 miles to the north-west. The service was excellent, the dining car set as usual for a banquet, the food and wines exquisite and the timetable rigorously adhered to, the broker recalls to-day. The next day, having finished his business in Rosario, he hoarded a train to return to the capital. It was more than an hour late, the dining car was unkempt, the pantry understocked and the staff suddenly scarce.

What had happened of course between the one train ride and the other was that the Argentine railways had become "ours," as the Peron Government, then in power for barely a year, put it. Dipping into the Central Bank coffers, overflowing with gold bars, which Argentina had amassed mainly by its lucrative food exports to the Allied nations during World War II, President Juan Peron had bought the railways, even though they shortly were to fall into the Government's hands free of charge.

In the 90 years the railways had been privately owned, they had made money every year except one, back in the 1860s. In the 30 years since they have been nationalised, they have been losing money steadily, so much in fact that the State Railways are the greatest single burden on the national Treasury, and were losing \$2m. a day when the armed forces took over in March last year.

The principal ills that beset the railways virtually from the moment of nationalisation were:  
● The political regulation of tariffs. President Peron kept the rates low to please his "desempeñados"—shirtless ones. One of his underlings even claimed that "the revolution was accomplished by locomotive."  
● The use of the railways as a catch-all source of jobs for the shirtless ones. The railway workforce became hugely inflated.  
● Poor management, much of it appointed for its political rather than technical merits, complicated by rapid turnover. This was a persistent evil which was eradicated when Peron was toppled from power in 1955. In the years 1956-1966 the railways had twenty successive presidents.  
● An equipment problem, inherited from the British, who did little re-equipment during

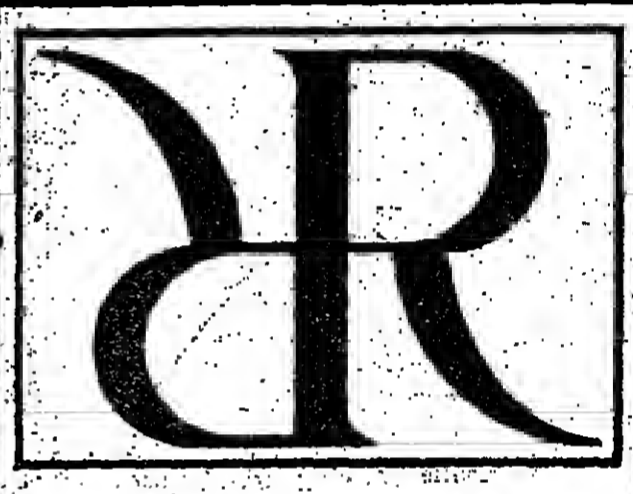
the depression and the war. By 1967 only 49 per cent of the network's steam locomotives and 61 per cent of its diesel-electric engines were functioning. Less than two-thirds of its freight cars were in use.

Notwithstanding the fact that the present de facto government set about remedying the railways' ills immediately after the coup d'état last year, the 1976 railway deficit burgeoned by 140 per cent. In view of this Argentina indeed was fortunate in having a trade surplus of about \$1bn. during the first half of this year. Moreover, the prospect is that the balance of payments by the end of 1977 will be about that much also.

On the occasion of the 120th anniversary of Argentina's railways (August 30 this year), the network's president, Army Gen. Tomás José Caballero, summed up the Government's "Beehive Plan" in this way: "We foresee a modern railway, fast and efficient, structured for the transport of massive loads of goods over long distances, a safe railway, comfortable and fast for passengers on the runs between cities. Simultaneously, we are working to balance outlays and resources." The Transport Under-Secretary, Ezequiel Ogueta, thinks that the railways can break even in three years' time.

**Military**

Many of the members of the military team who worked within the network from 1967 to 1973—the year the Peronists returned to power—are putting together a five-year plan with the assistance of Italy's Italcon-sult consulting firm, which was chosen for the job by the World Bank. Gen. Juan Carlos Onganía, who seized power in 1966 and was the first of a series of three military presidents who held on for a total of seven years, initiated a railway rationalisation plan of his own which achieved much but whose accomplishments were frittered away by the Peronist Government which followed. In January, 1967, President Onganía named an army transportation expert, Gen. Juan Carlos de Marchi, as president of the State Railways. Gen. de Marchi first tackled the management problem, streamlining administration and station operations, centralising procurement and setting up special programmes to teach conductors and dispatchers more efficient techniques.



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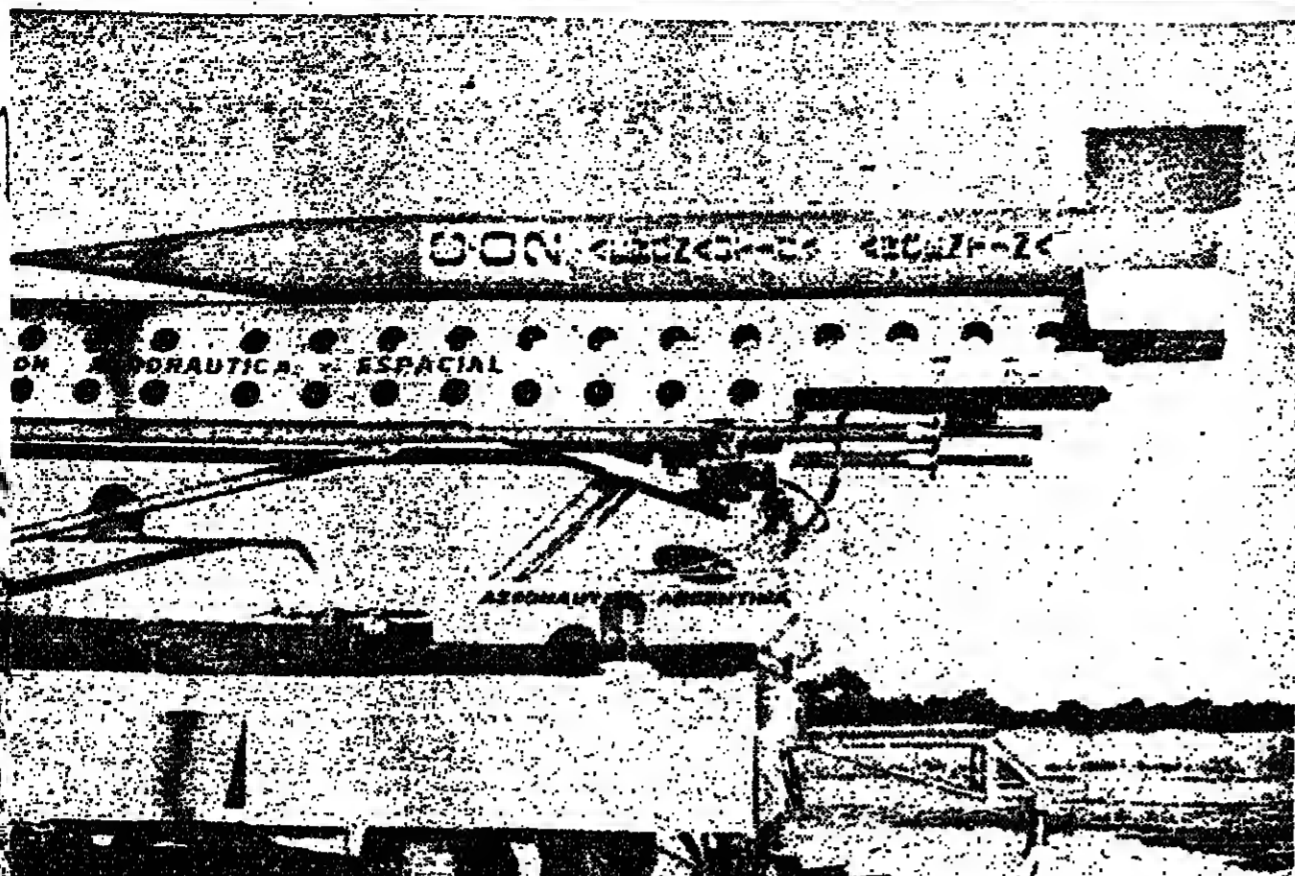


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## ARGENTINA VII



Establishment of an independent arms industry is one of Argentina's priorities. The Castor rocket shown here is being developed by the air force's Commission for Space Research.

# The strong man of the navy

public opinion-surveyed by Mercado, a Buenos Aires magazine, answers questions with an urbanity one seldom meets among the members of military governments in Latin America. He puts forward the much-repeated military claim that the military's position was not wrong and that the country should have been collaborating substantially with the present Government.

**Junta**  
Making clear at the outset that he was not talking in a personal capacity but as a member of the military junta which represents the opinion of the armed forces, he argues that it is inappropriate for the moment to think of special elections and immediate elections as one and the same thing. Argentina, in his opinion, was living out "the consequences of a process of decadence which lasted several decades" the drop in real living standards of Argentina was still recovering. Pointing to the trade union movement, whose activities have been severely restricted by the junta, I asked how working people could express themselves in Argentina. "We have put off certain debates until the Republic is able to put up with them. That does not mean in any sense that each Argentinian cannot express himself and in practice he does. Every day everyone has the opportunity of demonstrating his interest in collaborating in the reorganisation of the country. Europeans often do not understand what happened here. In Argentina there weren't political differences, there was a struggle between those who wanted to destroy the nation and those who weren't prepared to put up with that. Ask yourself what was the attitude of the trade unions after Coventry was bombed and you will begin to understand—taking into account the differences of visible horror entailed—the essence of the attitude of everyone in Argentina today."

The way for wage levels to rise again would, Admiral Massera says, be for every level of society to undergo hard sacrifices. "We have accepted that the only way for us to recover is by working and not spending more than we earn... but those who have more have yet to realise that they must make a greater effort so as to obtain the welfare of all."

As far as the question of human rights went, Admiral Massera claims, things were getting better, though the "fight against terrorism" is not over yet. "As a result it is logical there should take place sporadic acts of vandalism which are the expression of a pathological feeling, of a worship of death, which is still abroad among little groups which are happily now very small."

No, says the admiral, he does not think there is any need for the present for a South Atlantic treaty with countries like South Africa—though he has very warm relations with the navies of the countries with coastlines on the South Atlantic. Admiral Massera is the recipient of decorations from Bolivia, Brazil, Chile, Colombia, Ecuador, the U.S., Guatemala, Paraguay, Peru, South Africa, Taiwan, Uruguay and Venezuela.

**Railways**  
CONTINUED FROM PREVIOUS PAGE  
He also overhauled the work rules. Somewhat surprisingly, labour resisted with a one-day strike only. To avoid compounding the serious unemployment problem which Argentina then had, Gen. de Marchi ruled out mass dismissals. But he did manage a reduction in staff of about 300 a month simply by not hiring replacements for men who were pensioned off or quit. The result was that the railway service improved. No longer did freight sit in warehouses for two months waiting to be handled.

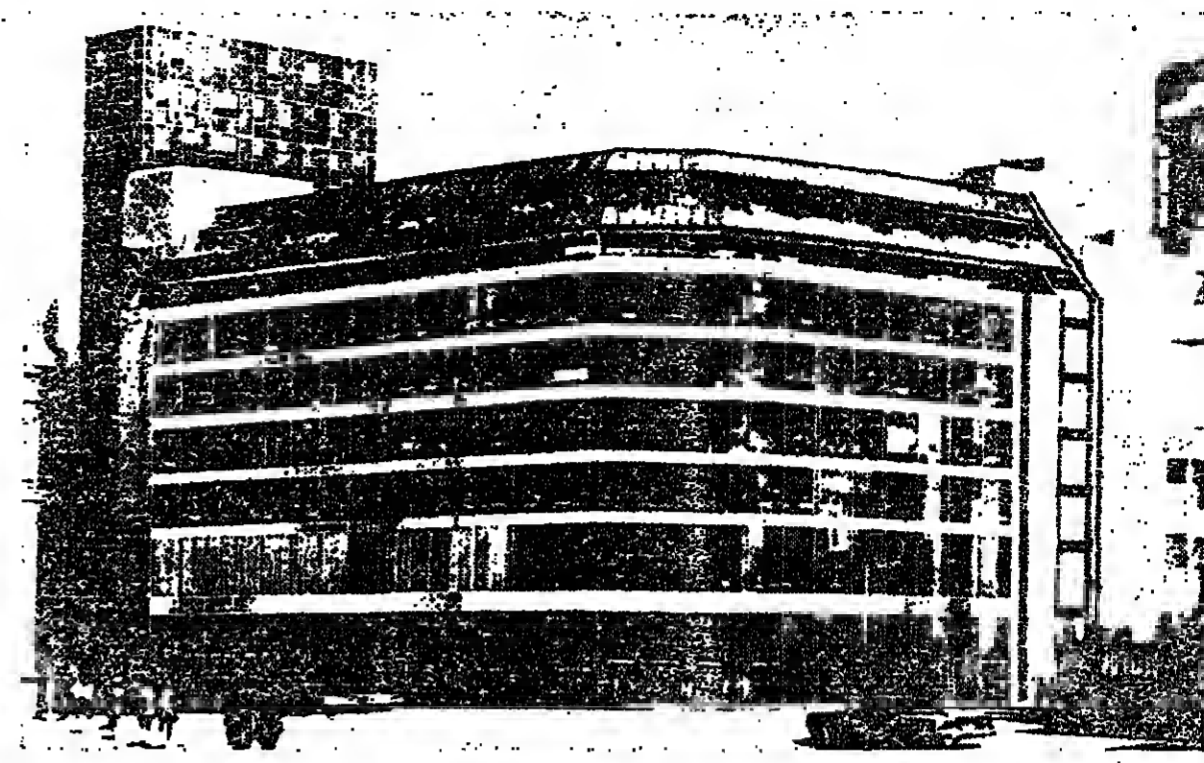
**Financing**  
"It is expected that early next year the World Bank will decide on what financing it will put up for the five-year plan for the transformation of the railways" is how Gen. Caballero, the system's current president, sees it. According to the plan in its embryo state, the railways begin 1978 with a staff of 131,600. This in fact is nearly 2,000 more than the railways' present staff, which is considerably smaller than the 146,876 of 30 years ago. Under Gen. Caballero's presidency, the railway staff has been reduced by 21,580. A Caballero initiative, which he calls "anticipatory pensioning," has accounted for more than 11,000 of those removed from the payroll. By eliminating branch lines and useless stations, and concentrating on the big trunk lines, the volume of freight transported by rail has increased by 20 per cent. since the coup, with the result that the network's budget deficit has been reduced by 60 per cent. During the first five months of this year, the railways carried 25 per cent. more freight than during the corresponding period last year. From May, 1975, to April, 1976, the railways hauled 5m. tons of grain; between May last year and April this year, grain hauled by rail totalled 6.5m. tons. If the grain transported by rail in the first four months of last year is compared with that transported during the corresponding period this year, the increase is 75 per cent. In April this year alone, 20,000 freight cars loaded with grain reached Argentinian

ports, a figure not equalled for more than 20 years. Speaking on the 120th anniversary of rail transport in Argentina, Transportation Under-Secretary Ogueta said that "the greatness of a railway is not measured by the length of the track or by the number of stations, or by the number of passenger or freight trains, and even less by the number of staff on the payroll. A railway is judged by the volume of freight transported and by the number of passengers carried." Sr. Ogueta reported that of the 2,708 miles of track considered commercially unsuitable, 1,567 miles have already been closed. Moreover, he said, the obsolete rolling stock will be replaced at the rate of about 50 locomotives and 1,500 cars a year. To save precious time in the drive to modernise and rationalise the railways, the Government has suspended until December 31, 1979, the requirement that the railway must "buy national." Now they can look abroad for replacement of rotting stock, track and signalling and telecommunication systems. By way of softening the effect of this measure on the local manufacturers of such equipment, a committee, meeting fortnightly, has been created, composed of the local manufacturers and Government authorities, to protect local industry whenever possible.

**Equipped**  
In little more than a quarter of a century, local industry has equipped itself to manufacture locomotives, diesel engines, freight cars, electrical equipment and sleeping cars, as well as providing all repair facilities. To date local industry has supplied 320 locomotives to the railways and is exporting coaches, cars and spare parts. In recent years the capacity to manufacture these units locally has been considerably reduced by the fact that the railways were held back by lack of funds to placing little more than what may be considered routine orders.

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ARGENTINA VIII

# Human rights cloud over foreign relations



A view of the Plaza Cristobal Colon, with the War Ministry building in the background and a monument to the discoverer of the New World, Christopher Columbus, in the gardens in front. The docks are on the left

THE SUBJECT of human rights, which was not an important one in the first months of rule by the military junta, has over the past year, and more particularly since the advent of President Carter to the White House, become the principal problem facing the Argentine foreign office.

But foreign reaction to the deteriorating human rights situation has become increasingly organised and vocal. It has led to tension between Washington and Buenos Aires.

President Carter's human rights initiative has been met with accusations from Buenos Aires that the U.S. has been meddling in Argentina's domestic affairs. As a result of the attitudes of the White House, the Videla Government in March rejected a small amount of U.S. military assistance and on the eve of Gen. Videla's trip to Washington last week (September 9) the navy announced it was cancelling its participation this year in the long-standing

Unitas manoeuvres with the U.S. Navy.

In the economic sphere Washington has caused headaches by refusing to support a World Bank loan for the National Development Bank, and in the private sector of business the human rights issue has had some part, albeit a small part perhaps, in the decision of foreign investors not to make big new commitments in Argentina at the moment. The Videla Government is suffering from the fact that, if Mr. Carter wants to press the human rights issue against the governments of the Communist countries, he must do his best to improve the position of human rights in Latin America, where for much of this century the U.S. has had so much power and influence.

In his recent utterances in Washington it is not surprising, therefore, that General Videla admitted there had been "dirty deeds" committed in what he called "a war against delinquent subversives" and added that

"total control is difficult from the highest level."

At the same time he made it clear that the Government is set on wiping out those it considers to be its enemies, and he backs this warning up by saying that "those who act against the country cannot enjoy the same rights as the rest of the Argentinians enjoy."

## Unhappiness

But Washington is not the only centre which has expressed unhappiness with the situation in Argentina. The leaders of the European social democratic movement from the Labour Party to the German SPD have been critical of conditions in Argentina, and this attitude is not but have its repercussions on the relations between Argentina and the EEC, notably on agricultural exports to Europe.

And while General Videla has been under fire from the

Western camp in which he firmly believes his Government to be, no criticism of his human rights policies have been heard from the Soviet Union, China or the other Communist countries, against which some Argentine generals already consider themselves to be at war.

In Latin America the human rights issue has been less of a problem than it has been in the U.S. and Western Europe, though it has strained Argentina's relations with Venezuela, Paraguay, Brazil and Bolivia.

The war against the Left by the governments of Chile, Uruguay, Paraguay, Brazil and Bolivia has meant that all those countries to a greater or lesser degree have co-operated with the Argentine police and armed forces in joint action, a fact which was made clear a few months ago when two former Uruguayan Parliamentarians, opponents of the present government in Montevideo, were openly abducted from their hotel in the centre of Buenos Aires and later killed without anything being done to stop the killings and without the culprits being traced and brought to justice. This does not mean to say that Argentina has no point of friction with its

neighbours. The recent judgment on the dispute between Argentina and Chile over the Beagle Channel at the entrance to the Straits of Magellan which was favourable to Chileans, has caused much anguish in Buenos Aires.

As a result a planned visit by General Pinochet, the Chilean President, to Buenos Aires has been put off, and there exists the possibility that the Argentine will be rejected by Argentina about a great increase in tension between the two countries.

With Brazil too various problems have been building notably the use of the hydro-electric potential of the river Parana, which flows from Brazil into Argentina, and joint Brazilian-Paraguayan participation in the giant Itaipu Dam tripartite meeting is scheduled to take place shortly in Paraguyan capital to attempt sort out the matter, but if it is resolved it is unlikely to put an end to a century of rivalry between the biggest countries of America.

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## An editor under fire

"WHEN I first came here I really didn't like it. Then I got married to an Argentine girl and it all got better. Now I feel a bit as though I'm married to Argentina." Bob Cox, editor of the widely quoted and respected Buenos Aires Herald, the local English-language daily, was recalling 18 years of work on a paper which he came to after answering an advertisement in World Press News.

Though he is philosophical about it now, the job has been littered with pitfalls and dangers as the paper has come under fire from all sides in the violent battleground of Argentine politics.

"I always thought of the paper as old-fashioned English liberal," Mr. Cox said, in his office overlooking the city's port. "That's always been its character. There used to be another English-language daily here, the Standard, and it is interesting to look back through the files and see how they took a conservative line while we, for instance, came out in support of things like the strike of shop assistants years ago at the Harrods in Buenos Aires."

In the business," Mr. Cox said, "I earned myself an international reputation for speaking out on the question of violation of human rights. Between I did two years in National Service in the U.S. and they gave me two months for being in Korea. It is rather, is this news true and important?" Earlier this year Mr. Cox was jailed for a few days for being one of two editors who decided to print the news of a Press

## Owned

"When I started I worry over a lot to this now do not trouble me. I've got used to reflects. The Herald is owned since 1969 by the Charleston Post Publishing company of the U.S., which I from the Rogeroni who were Anglo-Argentine Gibraltar connections.

"Though some people this hard to believe, we've more hard periods than Although we have gone through penury ones, the owner made a point of reinvesting in the business."

Mr. Cox was born 43 ago in Ealing and did apprenticeship on paper in East Anglia and Hull

between I did two years in National Service in the U.S. and they gave me two months for being in Korea. It is rather, is this news true and important?" Earlier this year Mr. Cox was jailed for a few days for being one of two editors who decided to print the news of a Press

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# A new welcome for foreign investment

THE authorities govern- condense in the Minister for Argentina in-day look up the Economy's preamble to the law on foreign investment. In March, 1976 they passed economic legislation from the technical and legal point of view, showed an interest in the investment, together with the technological contribution towards foreign capital on towards Argentinean who were involved in doing of foreign com- Argentina was not the only to the world to a restrictive policy foreign capital, but few countries had gone so far. acts, although now dis- 12, still weigh painfully domestic economy.

Since the Government of General Videla took power 18 months ago, legal instruments have been established which offer legal protection to foreign investment. The laws and regulations involved which have a direct or tangential bearing on foreign investments are those concerning foreign investment, the transfer of technology, industrial promotion and taxation reform.

The main aspects of the legislation are as follows: Foreign investors have the same rights and obligations as the Argentinean and law grant to nationals and there are no areas or sectors forbidden to foreign investment. In certain circumstances investment without prior permit is possible. Transactions carried out between the foreign parent company and the Argentinean subsidiary are considered as transactions between independent parties; the domicile and not the nationality constitutes the determining factor in the

qualification of a foreign or national investor. Domestic enterprises of foreign capital are considered those in which more than 49 per cent of the capital is owned by foreign investors.

Investment may be made in foreign currency, capital goods, profits belonging in foreign investors, capitalisation of foreign credits, intangible assets or any other form approved by the implementing authority; there is a tax on profits exceeding 12 per cent of the registered capital. Foreign investors may use any of the legal forms of business organisation (branches of the parent company, incorporation of same, creation of an Argentinean limited liability company, etc.); access to domestic credit on a short-term basis and exceptionally on a medium or long-term basis is available.

### Principles

The new law on transfer of technology sanctioned about a month ago ratifies the same principles established by the law on foreign investments, since it accepts the legal validity of the technology transfer contracts between financially bound companies. The law is applicable to any legal instrument having as its objective the transfer of technology from abroad in favour of persons domiciled in Argentina.

The taxation system falls in with the philosophy expressed regarding the legal independence of the instruments and transactions carried out by tied firms (parent company and sub-

Maximo Bomchil

### Port

Government made it complementary to capital investment and merit unrestricted as a basic element of development.

philosophy involved is

An e under

## Guillermo Roux

WORKS of the present as the Ecuadorian Ramiro Jácóme, whose work is not as well known as it should be in Europe and North America.

One Argentine painter who is rapidly making a name for himself simultaneously in his own country and in Europe is Guillermo Roux, whose works of their art alive and despite the strange chaotic ideology which embraced, Jorge Luis Borges also achieved wide outside his native

### Drawing

Born in Buenos Aires in the late 1920s Roux quickly learnt the rudiments of drawing from his father, himself an artist. "From when I can first remember," he recalls, "I wanted to do nothing else but express myself by drawing. I wanted to set down the world I lived in which for me consisted in the few streets round my parents' house on the outskirts of Buenos Aires. It was a very close world and I knew very little outside it. For me the centre of the city and a place called Europe that I was always hearing about

were one and the same place." Roux started earning his living as a commercial artist at the age of 12 and later studied at art school in Buenos Aires. At the end of the Second World War he decided to go to Rome to broaden his experience, and there, when the money he had ran out, he found an Italian painter who took him on as an assistant. "I can't say that he was a great artist but he was a superb craftsman. He had a great many orders from churches, so I spent a good deal of time painting saints and babies."

Back in Argentina the choice was returning to commercial art or starving in Buenos Aires so Roux took an offer of a job as a teacher of art in Jujuy in the far tropical north of Argentina, where he stayed six years. "After six years in Jujuy in great isolation I felt I had to return to hard reality, so I took a year in New York. It was a very hard experience but it brought me back to reality with a jolt," he says.

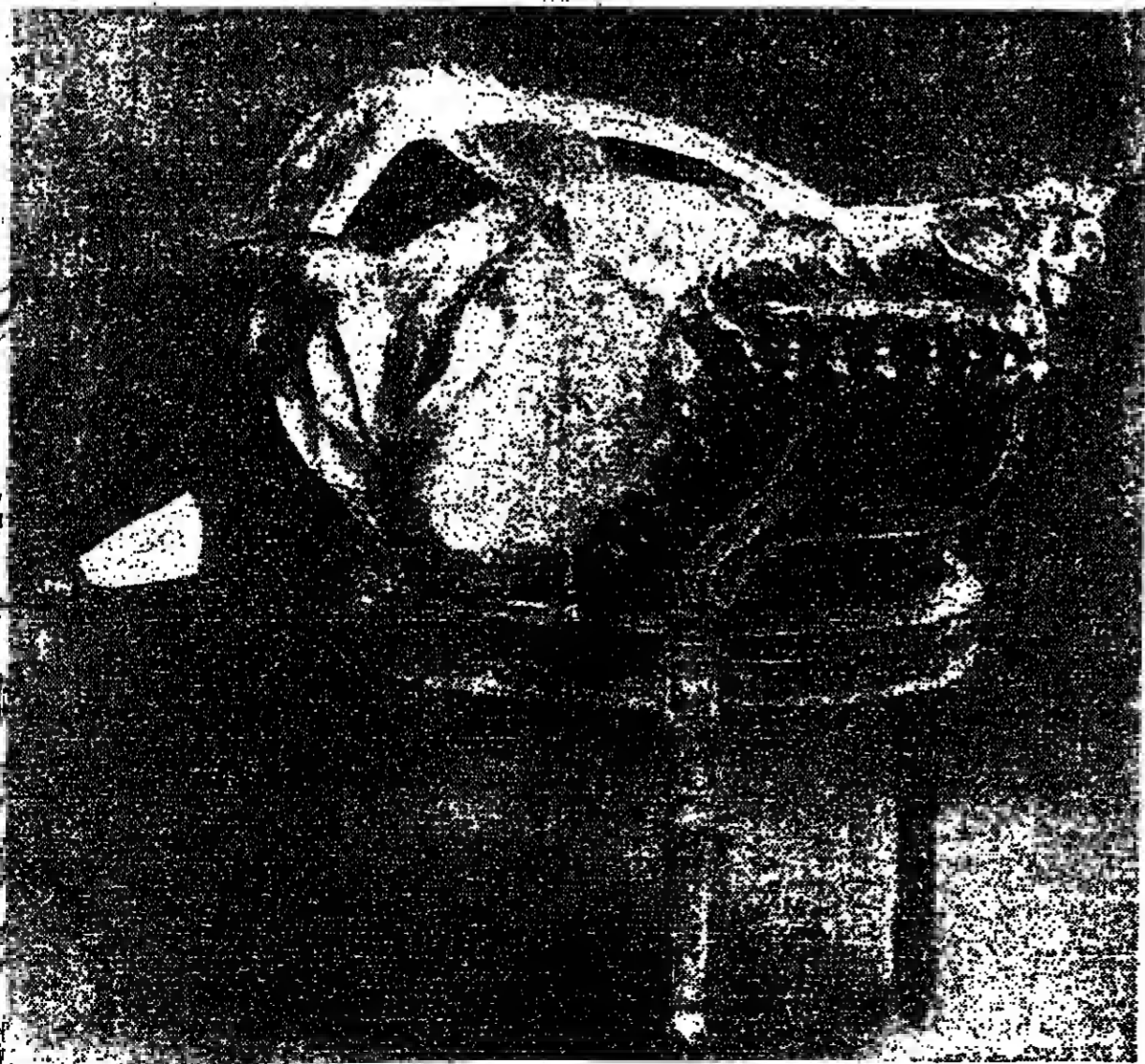
His first important sign of

acknowledgement came when he won first prize at the Sao Paulo Biennale in the early 1970s. He has had exhibitions at Marlborough in London, Bucholz in Munich and is currently showing at the Jean Bucher gallery in Paris.

Roux first became recognised for the originality of his subjects, a surrealistic version of Madame Recaulet, the plush lined 19th century sitting rooms of whisperings behind discreet curtains, pictures of headless clowns, executed in a watercolour whose depth of colour and detail often give it the feeling of oils.

To-day at his house in Mariboez, a northern suburb of Buenos Aires the work he has in hand is less tentative, bolder and more sensual. He seems to have less need than he once had to hark back to the sights and experiences of his early years. Though he is not far off 50 Roux gives the impression of only just starting to fulfil himself as a painter.

H.O.S.

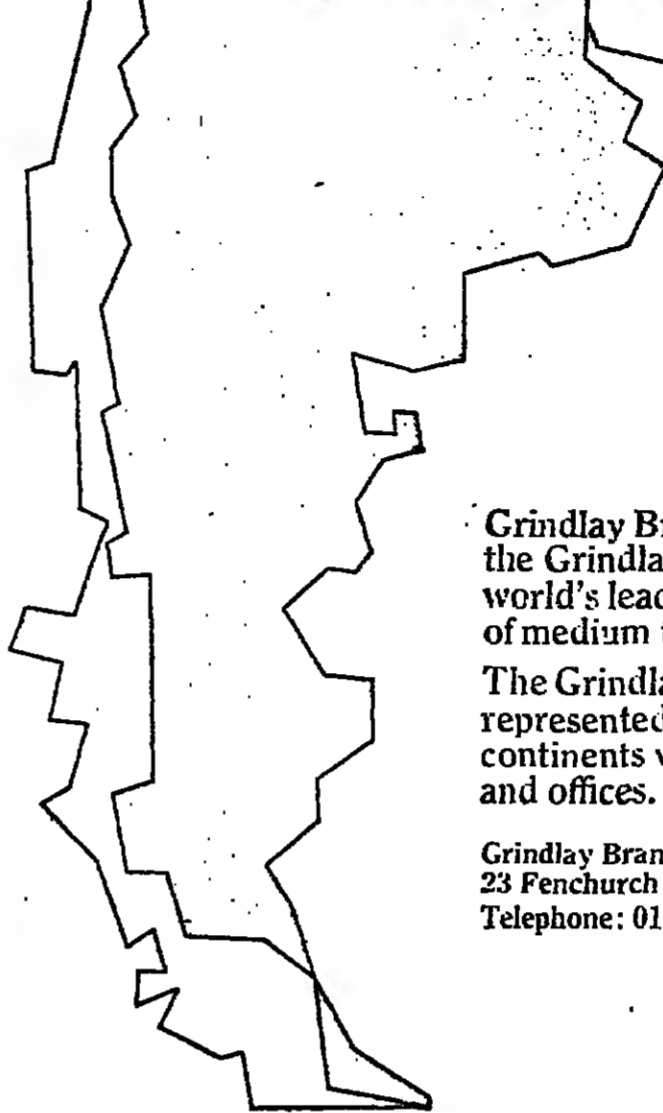


"Sillón Azul" (Blue Chair), 1977, 64 x 66 cms, by Guillermo Roux.

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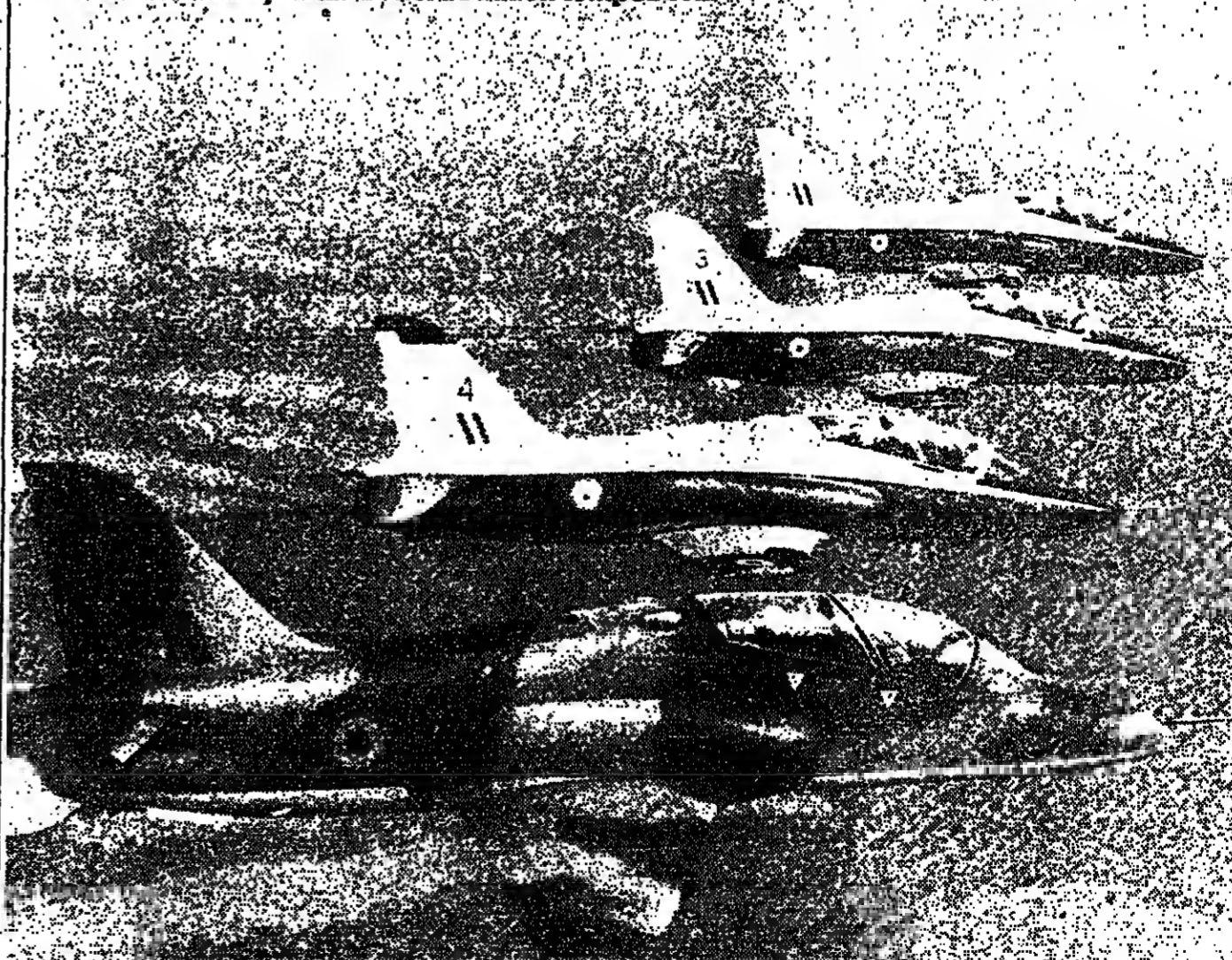
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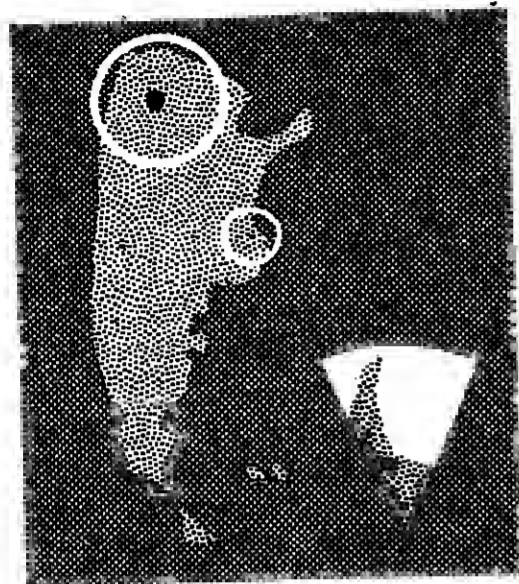


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"WITHIN A few years, Argentina will be almost self-sufficient in energy." This is the promise of Barnado Bronstein, under-secretary of hydro-electric and thermal power in the Department of State in the Ministry of Economics. "And," Sr. Bronstein adds, "we plan to replace, to a great extent, fossil fuel with hydro-electric energy as quickly as we can." At present, 70 per cent of the country's electrical energy is generated by fossil fuel, 10 per cent nuclear and 20 per cent by hydro-electric power. "We're going to change this ratio very soon," says Sr. Bronstein.

The plan, at least, is for a dramatic change. Hydro-electric energy from Argentina's rivers probably will amount to 5,800 gigawatt-hours (GWh) this year. By 1985—always according to the plan—this figure will shoot up to 23,700 GWh, which by all predictions should be comfortably abundant. Argentina's physical characteristics are not wanting in the drive to reach this goal. Because of the melting snows in the Andes during the dry summer months, the country's rivers flow continually in the west. And the abundant tropical rains in Argentina's contiguous northern neighbours, Brazil and Paraguay, feed the Paraná, Uruguay, Paraguay and Iguazú Rivers.

It is the Government's ambitious plan to complete a total of 16 hydro-electric complexes by the end of 1985. By international standards, six of these can be considered "very large," inasmuch as their scheduled installed power ranges from 450 MW to 2,700 MW.

Three complexes are almost completed. This year, El Chocón, in the Limay River 50 miles south-east of the confluence of the Limay and Neuquén Rivers in the southern Andes foothills, will apparently be terminated. The installed power of the dam is 1,200 MW. Scheduled to be completed a short time later, and designed to work with El Chocón, is Cerros Colorados in the Neuquén River. Although it will begin operation at half capacity, eventually the installed power of Cerros Colorados will



Argentina's rivers and lakes are a huge source of potential power. The photograph shows the River Limay draining Lake Nahuel Huapi in the southern Andes.

reach 450 MW. About \$70m. are needed to finish these two projects. Cabro Corral in the Juramento River 35 miles south-west of the city of Salta and with an installed power of 100 MW, also is scheduled for completion this year. The dam, built of loose material, rises 99 metres above its foundation, forming a usable reservoir of 2.5bn. cubic metres, and a tunnel 536 metres long, with a 108-metre pipe, will carry water to the power plant, which is equipped with three groups of Francis turbines.

Nineteen-seventy-nine, will be lean for Argentina's hydro-electric energy expansion: only one 6 MW facility, Piedras Moras, is scheduled for completion. But three much larger stations should begin functioning in 1980. One is Los Reyunos, consisting of two dams being built on the Diamante River 18 miles west of San Rafael in Mendoza Province, special in that all its annual power supply of 2,400 GWh will provide the energy to produce 140,000 tons of aluminium in a year from two Francis turbines. One dam, of dirt and Madryn, 330 miles east of the Futaleufú dam. Assuming that its foundation—110 metres above the bed of the river—will produce one kilogramme of aluminium, the Futaleufú plant will need to generate at least 2,400 GWh a year. This represents an overall capability of about 285 MW.

### Ideal

According to an official of the Economy Ministry, the Futaleufú River is ideal for a hydro-electric complex because the river's source consists of 14 inter-connecting lakes fed in summer by melting snow and ice in the Andes. Year-round, the average of water is about 290 cubic metres the second. Six million cubic metres of earth and boulders had to be moved for the entire Futaleufú project. Only then could the dam, which rises 115 metres above the river bed, be built with a combination of water resistant materials: earth breakwaters and re-inforcements, moraine, gravel and small rocks. This year, Futaleufú will cost \$30m.

The next complex scheduled for completion, Salto Grande, is Argentina's first joint venture in the hydro-electric sphere. It is planned that the first of 12 turbines in the dam being built on the Uruguay River, 11 miles north of the cities of Concordia in Argentina and of Salto in Uruguay, will be operational by April, 1979. Thereafter, according to the schedule, two units will go into service every two-and-a-half months, producing 1,620 MW of installed power, 6,400 GWh a year. The system is designed to accommodate two more units at a later date, which would raise the generating power to 1,890 MW, permitting an annual production of 6,400 GWh.

In both Argentina and Uruguay, construction of Salto Grande is well advanced with more than 3,600 workers involved in the project. An international highway and railway will be built on the crown of the 99-metres-high dam. Transformers, servometers, turbines and generators are being built in Japan, Italy, the Soviet Union and Austria. On the Argentine side, a seven-mile navigation channel will be dredged out of the Uruguay River, making it navigable for an additional 86 miles for craft of up to nine feet draught. The Inter-American Development Bank has financed part of the total investment for Salto Grande, estimated at \$1,246m. In June, the Japanese Export Import Bank lent Argentina \$20m, for the complex, the cost of which will reach \$336m. this year, and \$398m. next year. By then, 99 per cent of the total cost of the complex will have been paid.

One of the coming large contracts for Salto Grande will be for the \$300m. electrical transmission system from the dam to customers in Argentina and Uruguay.

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system will utilise the flow of the large tributaries of the Gastoma River, channeling the water through a 15-mile tunnel and a two-mile canal until it reaches the reservoir of Portero del Clavillo. A dam rising 122 metres above its foundation will form a reservoir of 120m. cubic metres. Two Francis turbines will be used with a power of 67 MW each. About \$93m. will be needed for this complex between 1977 and 1982.

### Largest

The largest hydro-electric project scheduled for completion before the end of 1985, the 2,700 MW Yacretá-Apipé complex, is also, like Salto Grande, a joint venture. Two dams on the upper Paraná River near the town of Misiones, capital of the Province, will together—each reducing by 20 per cent generating capacity, and making a dam at Corpus moribund make up the power station at the base of the shortest, six-mile-long dam. With this station, the average energy generated annually will be almost 18,000 GWh. Total investment between 1977 and 1985 is estimated at \$2,750m, and a counter reservoir downstream will cost an estimated \$1m. Construction will begin next year.

Yacretá-Apipé will be 70 miles downstream from another joint Argentine-Paraguayan complex, Corpus, which

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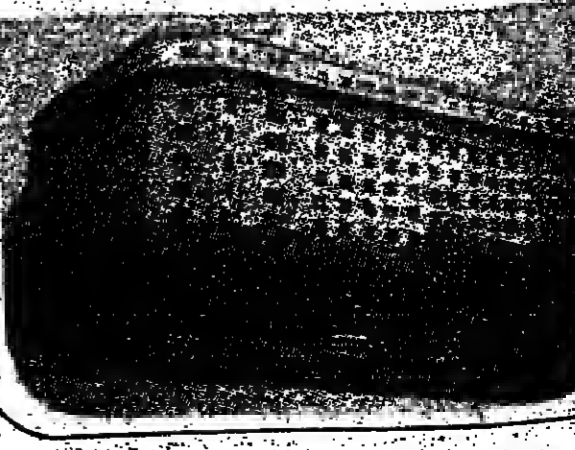
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# ARGENTINA XI

## ... but meantime oil has to meet the load

JGH Argentina has a tender will be put out tomorrow to develop the country's hydro-electric potential. This proportion of its power is still derived from stations. This proportion from 90 per cent, but it is obvious that remain the fundamental source for many years to the State oilfields code-F (Yacimientos Petroliferos Fiscales), has fixed 1985 year for Argentina to self-sufficient in petroleum. Although the country's 19.8m tonnes of crude oil it still had to import 9.6m tonnes at a cost of nearly \$1m.

new president of YPF, Sr. Ondarts put his finger on what he thinks is the most serious cause of YPF's inefficiency—that last year the combine drilled barely one-third the number of holes that it drilled in 1981, at the height of private oil company activity in Argentina. In the last seven years, he recalled, YPF has had—counting himself—fourteen different administrators or presidents, an average replacement of one every six months. These frequent changes had made the combine bureaucratic ally top-heavy, including excessive internal paper work, which made it difficult to take prompt action.

"Administrative chiefs," Sr. Ondarts said, "and staff in general fell into the habit of delaying decisions. They felt they had only to tide over the next few months until the new top man came in." This system is being changed, he said, adding that he meant no slur to the efficiency of the majority of the YPF personnel. He blamed YPF's inefficiency on past political instability.

Sr. Ondarts lamented that there is now a drift of YPF trained personnel towards private industry "which robs us of our best men by paying them double or more than we can afford." YPF's income from its petroleum products is not enough to cover its development costs. Most of the cash from YPF sales goes to the Government in taxes, which are easy to collect because YPF sales are mainly spot cash. The result is that YPF is the Treasury's leading individual source of funds.

Against the day when Argentina's oil reserves run out, there are abundant coal deposits to produce thermo-electric power. At remote Rio Turbio in the province of Santa Cruz, near the border with Chile, there are believed to be deposits of 550m tonnes of coal—268m tonnes of which are proved, 258m tonnes probable and 8m tonnes potential. All but a tiny fraction of Argentina's coal reserves are thought to be in this area, which is 120 miles inland from the nearest port, Rio Gallegos on the Atlantic.

The exploitation of the Rio Turbio mines by YCF has met with difficulties because of the poor demand for coal domestically and the near impossibility of selling Rio Turbio coal on the international market. The problem of Rio Turbio coal is its high ash content. It must be purified to meet market needs.

The Government's three-year plan looked for the mining this year of 1.5m tonnes of coal at Rio Turbio, but it is already evident that not half of that tonnage will be reached. At the end of last month the No. 2 mine at Rio Turbio had been forced to close down and the rest were working at only 60 per cent of capacity. Miners had been put on maintenance tasks, and coal was piling up near Rio Gallegos in alarming amounts, alarming particularly because of the danger of fire. The solution to Rio Turbio's problems would be costly, involving as it does the expansion of existing purifying plants and the construction of others, and the improvement of the system of railway transport to Rio Gallegos.

**Nuclear**  
About 10 per cent of Argentina's power supply is already produced by nuclear energy, and the Government is going ahead with its ambitious expansion plans. There is one nuclear power plant functioning, one under construction and one definitely planned. The operating plant is Atucha 1, with 300-MW capacity. Atucha is 35 miles north-west of Buenos Aires and was installed by West Germany's Siemens group. Atomic Energy of Canada is installing a second plant, with double the MW rating of Atucha 1, at Embalse in the north-central province of Córdoba. Italy's Italmonted is handling the conventional installations of the Embalse plant, which is scheduled to go into operation around 1980.

Argentina at the start of its nuclear programme opted not for enriched but natural uranium, of which it is known to have sizeable deposits. The largest is at Sierra Pintada in Mendoza Province. One mine alone in this area contains a total reserve of 12,000 tons of uranium. Six others in the area are known to contain anywhere from 500 to 1,000 tons each.

Within the next two months Argentina will begin another stage of its ambitious nuclear power programme with a new thrust to prospect for more uranium deposits. The drive will be carried out by a consortium of Argentinian companies working with a foreign group which, according to an official of the National Atomic Energy Commission, will be American/British or American. The first prospecting, by airborne scintillators will cover a large area of Patagonia, including a small part of Santa Cruz Province, where 20 small deposits are known to exist. Following this project, the Commission plans to prospect areas in Mendoza and Catamarca Provinces. The goal is to increase the country's proved reserves of uranium to 60,000 tons, which is what will be needed for the 15,000-MW at the Atucha 1, send uranium dioxide to West

Germany for conversion to fuel units instead of sending yellow cake. Eventually Argentina will manufacture its own fuel units.

Perhaps all this implies the question: is Argentina working towards making a nuclear bomb? Governments, including the present Videla regime, have always denied this. Nevertheless Argentina, like Brazil, considers itself a pre-nuclear power, and—as the Buenos Aires daily La Opinion remarked when India exploded its nuclear device—the possession of the bomb makes a country "more respected."

An Argentine nuclear scientist said recently in private: "For middle-sized nations the question of nuclear weapons is not one of technical ability but of political will. If we decided to build a bomb, we could have one in four years at a very reasonable cost—say, \$250m, which is ten months' deficit on the national railways. There is no way to stop a country making a nuclear device. Those who insist on safeguards do so either out of naïveté or for other reasons such as commercial interests."

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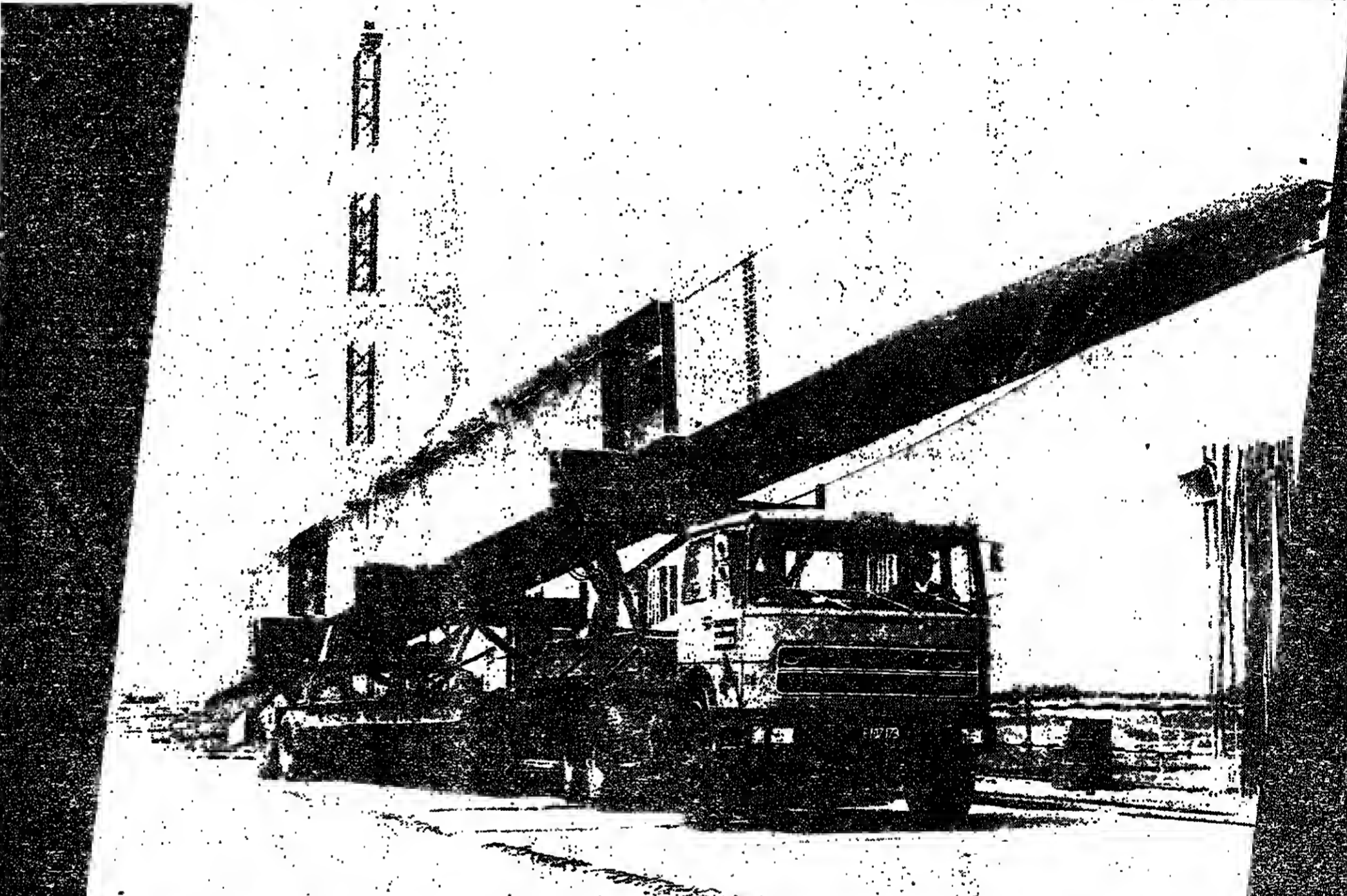
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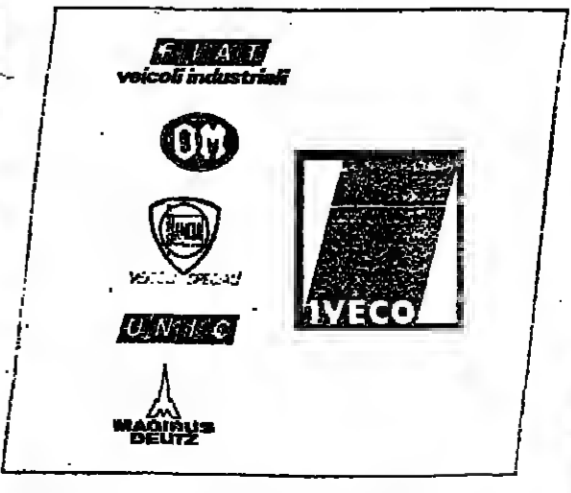


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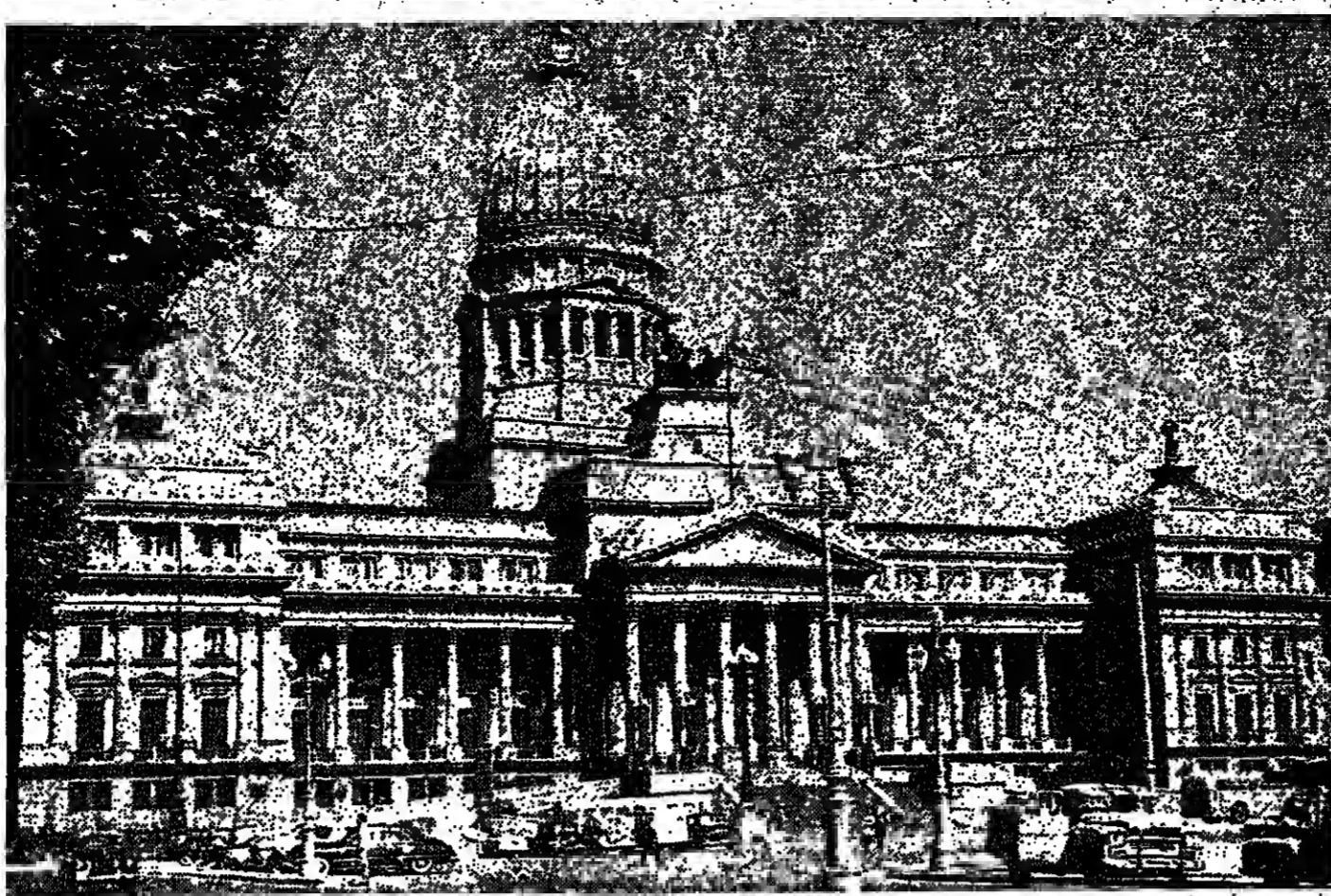
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ARGENTINA XII

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  - Fénix del Río de la Plata Compañía de Seguros S.A.
  - La Anglo Argentina S.A. Compañía de Seguros
  - Aseguradora de Créditos y Garantías S.A.
  - Atlantis Compañía General de Seguros S.A.
  - La Patagonia Compañía Argentina de Seguros S.A.
  - Solvencia S.A. de Seguros Generales
  - Alianza del Río de la Plata Sociedad Mutua de Seguros de Vida
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ARGENTINA



The National Congress in Buenos Aires.



Buenos Aires in its place

EVERY SO often Buenos Aires comes up behind you, taps you on the shoulder and reminds you politely that it is one of the greatest cities in the world. Take the other day. It was a Saturday night and I was walking back to the hotel down Calle Florida, the smart shopping street they have made into a pedestrian precinct. The winter air was not too chilly and the crowds were strolling past the tubs of flowers and gazing at the crocodile bags, fur coats and models of jumbo jets in the dazzling shop windows. The newspaper vendors at their hulking kiosks were still doing good business and here and there a shop was open. From one hook and record store came the sound of one of Vivaldi's lesser known concertos, and the hrowers were picking their way through the latest publications of the 19th-century Argentine history. In what other city of the world, I wondered to myself,

would the shopkeepers be putting on Vivaldi at midnight to attract customers to come in and buy records and tomes of history?

One hundred yards further down Florida there was a shoe shop which was backing up its display of polished brogues with photographs of the latest diesel engines to be delivered to Argentina's railways, captioned with stirring messages about the growing importance of heavy industry and an efficient transport system for the development of the Argentine economy.

In what other city of the world, I wondered, would the shopkeepers be displaying slogans about industrial greatness in an effort to sell more shoes?

The cultivation of the intellect and the discussion of the future of Argentina are two of the passions of Buenos Aires and help to make it not just

the biggest city south of the equator, but a city of remarkable character and personality. A city which is so proud of its opera season that it subsidises seats in the gigantic Teatro Colón to such an extent that the best of them can cost less than a pound. A city whose inhabitants can take their pick daily of an enormous range of free lectures about everything from the Kabballa to the ecology of the Antarctic.

**Darker**

There is of course a darker side. Buenos Aires has for the past few years been the scene of acts of assassination and torture scarcely paralleled in the recent history of Latin America which under Peronist governments and General Videla's military administration have rightly shocked the world. My own memories of hearing Vivaldi at midnight in Calle Florida are mixed with recollections of Florida with heavily armed policemen, each with his Doherman Pinscher, ready to use the utmost violence to hold in check those demonstrating against the policies of the government of the day. That was four or five years ago.

The often sublime, often tormented life of the portenos—as the inhabitants call themselves—is played out in a setting which is more imposing than beautiful. Buenos Aires is a city of the heavily monumental. Governments and business have fully indulged their taste for facades of polished granite.

The guérrillas, he says, are on the run and things have got a lot better since a few months earlier when he heard from his office the gunshots which killed a naval officer.

Though there will be no elections until the Junta decides to have them, General Saint Jean argues that there is a possibility of getting what he calls a "national consensus" as the armed forces keep in close touch, he claims, with a broad spectrum of people, the banks, industry, etc. Contacts with the trade unions? I ask. "That is not a matter for a provincial government," Saint Jean replies. "That is dealt with in Buenos Aires."

As far as the Graiver case is concerned, Saint Jean says, the police of his Province unearthed the case, but when the ramifications of it came to light the matter was passed over to the central Government for a decision. The idea that the treatment of the Graiver case was a pawn on the political chessboard of intra-government rivalries is one he does not accept. And as for anti-Jewish feeling (the Graivers are Jews) extreme statements attributed to him by, among others, the New York Times were never made by him. Fighting on the label of hardliner, he claims, Saint Jean is generally known as a moderate—at least in the economic sense, he adds. Saint Jean is less willing to be drawn on another religious matter. His

beloved underground railway, which links together the heart of the city and whose urgently needed extension is now being planned by the Government. Then come the colectivos, the privately run buses, the nimble, neat and speed of whose drivers come as a tonic to any Londoner traveller. Over the horrors of the city's telephone system it would be kinder to draw a veil and pass quickly on.

Every day the portenos are served with gigantic quantities of food for mind and body. Take for instance the daily Press: a recent Sunday issue of one tabloid, Clarín, included 64 pages as the principal body of the paper containing local and foreign news, sports and cartoons of the masterly Landru and the equally masterly Sábac, a 32-page colour magazine, a 32-page economic supplement, a 32-page arts supplement and two advertisement inserts totalling between them 64 pages. And Clarín is but one of half a dozen principal daily newspapers in Spanish, leaving aside a large evening newspaper and the foreign language Press, which includes the English language Buenos Aires Herald and daily for the Italian, German and Hebrew communities.

The portenos' stomachs are looked after lovingly. Despite the measures taken by Dr. Martínez de Hoz, which have reduced living standards sharply, cut food consumption and reduced the amount of money available for non-essentials, Buenos Aires restaurants are still doing good business.

Buenos Aires is not the place to look for "hante" cuisines indeed for an inventive dish of cuisine bourgeoisie. It is, ever the best place in Western Hemisphere—and all I know in the world—for any of its forms. It is for an Argentine restaurant serve a bad dish of meat, a cluster of my favourites, including with the unpretentious Sorrento in Avenida Corrientes and the restaurant La Plaza Hotel, present the mate in delight for the voracious visitor from London too "long condemned" charred offcuts which are off as meat in the steak of the British capital.

Epitaph

It is rare that it is not known. Derek Foster, w in the Buenos Aires, I recently drafted the epitaph of one of the most famous city's restaurants, La Cagerly sought out by the cur, "long been a cathedral of beef," as he it has now let its standard. The restaurant has muted "gastronomic hub" he reported, "a sad, sad rance." One must confess self with the knowledge there are hundreds of parish churches in the which the title of cathedral could be worthily conferred.

In Buenos Aires

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\*In conjunction with I.A.D.E.

General Saint Jean, the Governor

LA PLATA is a pleasant university town not far from the capital and is the seat of the provincial government of Buenos Aires. Its streets are lined with orange trees, it has a homely and much frequented racecourse and it has been the scene of killings and other horrors over the past few years too numerous to recount here, ranging from shootouts between Government and guerrillas to acts of torture and the kidnapping and murder by an ex-policeman of David Kreiselburd, the 20-month-old son of a local newspaper editor. La Plata, too, was the economic springboard of the controversial Graiver banking family.

The governor of the Province is regarded in Argentina as one of the most prominent of the hard line conservatives. General Iberico Saint Jean, now on the retired list but very much in command of the levers of power in the richest subdivision of Argentina.

"We can't be indifferent towards subversion because if we are we will be its victims," the General remarks, though he adds that various of the more extreme statements attributed to him by, among others, the New York Times were never made by him. Fighting on the label of hardliner, he claims, Saint Jean is generally known as a moderate—at least in the economic sense, he adds. Saint Jean is less willing to be drawn on another religious matter. His

name had been mentioned as a strong supporter of the extreme right-wing "rebel" Archbishop Lefebvre. Would he agree that the whole Lefebvre business had been negative for the Catholic Church? I asked. "Too delicate a subject to touch on here," said Saint Jean. In the economic field Saint Jean expresses great eagerness for foreign investment and promises a specially warm welcome for food-processing companies

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Changing medical insurance patterns

BY ERIC SHORT

ATION is achieving in five what the National Health... has failed to do in 30...

demands created by the formation of the NHS. Only a few... remained outside and continued...

Impersonal

Much has been written regarding the failings of the NHS, but these can be summed up as simply that it has grown too...

It has not set out to match the NHS facilities to perform the most sophisticated surgery...

But the associations themselves confirm that there is considerable turnover of membership on the individual as well as the group side.

Fringe benefit

But does this trend mean that the demise of private medicine is coming in the foreseeable future? The answer is definitely no.

companies for group membership. The attractions for employees to have use of private medical facilities are the same...

However, there are positive benefits to employers in providing a group medical insurance scheme, besides keeping employees happy.

Orderly

Finally, there is the question whether there will be enough private hospital facilities to meet the demand.

Secondly, the employee is in a private room with telephone and ready access by visitors. Once the post-operative period is over—after 24 or 48 hours—the employee can begin work...

Table with 5 columns: Year, Number (figures in '000s), Change on year, Group members Number (figures in '000s), Change on year. Rows range from 1966 to 1976.

Table with 4 columns: Cost of NHS pay beds, London teaching hospital (£ per week), BUPA top rate premiums (£ per annum), Family. Rows range from 1970 to 1977.

Letters to the Editor

ation... nting... J. M. Renzell... niohy Harris is not far from being wrong in points of fact...

Indexation of pensions... From Mr. J. A. W. McLeod... As "managing pension funds is my business I read with interest your special supplement on this subject (September 8), and particularly the article "Effects of inflation, and indexation of pensions."

A measure of performance... From the Managing Director, Overland Freight Forwarders... I read with interest the Economic Viewpoint "North Sea Forecasts: too bad to be true, but Anthony Harris (September 8) and agree with much of what he wrote. However, theoretical objectives are as often over-ridden by practical application (or lack of it).

Towards a State Bank... From the Chairman, NSB Glasgow Branch, Society of Civil and Public Servants... Sir—Your correspondent M. J. Wildman of National Giro (September 6) displays a sad lack of understanding of certain aspects of human relations, trade union ethics and national savings.

Where to reflate... From Mr. A. Bhat... Sir—in all the discussion that has followed on the U.K. economy, it has been suggested that the reflation, whenever it takes place, would take the form of a cut in value-added and/or income tax.

To-day's Events

GENERAL... Balance of payments figures for August... West German Government expected to announce reflationary package...

COMPANY RESULTS... British Leyland (half-yearly figures)... Burmah Oil Co. (half-yearly figures)... Fairbairn Lawson Orchestra, conductor Edo de Waart, with Paul Schenker (piano), perform works by Tristan Keuris (UK premiere of "Sinfonia", Mozart (Piano Concerto No. 23 in A major); a.d. Mubler (Symphony No. 1 in D major), Royal Albert Hall, S.W.7, 7.30 pm.

SPORT... Soccer: European Cup: Celtic v. Juventus; Europa (Luxembourg); Cup Winners' Cup: Cardiff v. Austria Wien; Coleraine v. Lokomotiv Leipzig (East Germany); Rangers v. Twente Enschede (Holland); UEFA Cup: Bohemians v. Newcastle; Dundee United v. KB Copenhagen; Manchester City v. Widzew Lodz (Poland); Anglo-Scottish Cup: Hibernian v. Blackburn.

Opera... English National Opera production of The Barber of Seville, Coliseum Theatre, W.C.2, 7.30 pm.

Ballet... Royal Ballet dance Concerto Barocco, Prodigal Son, and The Four Temperaments, Sadler's Wells Theatre, E.C.1, 7.30 pm.

Opera... English National Opera production of The Barber of Seville, Coliseum Theatre, W.C.2, 7.30 pm.

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ies of market... Mr. Wildman's letter displays all the arrogance which has built up the saga of Giro's continued search for a lifeline.

Where to reflate... A much more serious contender for the bandout should, I think, be an industry such as the building and construction industry—which is depressed at present, is relatively labour intensive and a large proportion of equipment and materials inputs into it of domestic origin.

Where to reflate... A much more serious contender for the bandout should, I think, be an industry such as the building and construction industry—which is depressed at present, is relatively labour intensive and a large proportion of equipment and materials inputs into it of domestic origin.



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COMPANY NEWS + COMMENT

Oil Exploration tops £1m. at six months

INCLUDING A first time contribution from Bates Oil Corporation of £1.34m, first half 1977 sales proceeds of Oil Exploration (Holdings) were up from £1.54m. to £2.88m.

HIGHLIGHTS

The market was disappointed by the interim results from Reckitt and Colman Inc. with profits showing a 3 per cent advance while even after stripping out the exchange differences the gain is only 18 per cent.

Barton up midway to £1.38m

PRE-TAX PROFITS of tubing manufacturer and engineers Barton and Sons rose from £1.24m. to £1.38m. for the first half of 1977, on turnover ahead by £2.4m. to £10.62m.

Midterm fall at Petrocon

ON TURNOVER ahead by £1.28m. to £5.13m. pre-tax profits of Petrocon Group fell slightly to £239,000 for the first half of 1977, compared with £348,700 for the six months to August 31, 1976.

lem has been the continued bad health of the process plant industry. It affects both the service and the manufacturing sides of the industry and although there have been some small signs of a pick-up (giving rise to the forecast of a better second half) a proper revival is not yet on the horizon.

comment

The mere £86,000 post-tax contribution from Bates Oil Corporation emphasises the warning that cash flow rather than net profit motivated this U.S. purchase. But earnings are of little account at present in comparison with speculation on the value of Oil Exploration's 8.32 per cent interest in the Phillips group's Thema Field.

Ramco Oilfield & Marine

A new company, based in Aberdeen, has been formed to provide specialist engineering services in the oil and gas industry. Ramco Oilfield and Marine Services is to start operations immediately in providing corrosion engineering services at offshore locations. It is also beginning construction of a major shot-blasting and coating facility to provide sophisticated onshore corrosion treatment.

Chas. Early £166,115 so far

BLANKETS AND floor covering manufacturers, Charles Early and Marriott (Wimsey) reports a pre-tax profit of £166,115 for the half-year to July 29, 1977, compared with a loss of £11,787. Turnover was ahead from £2.12m. to £2.94m.

comment

Barton's main weakness continues to be south Africa and there is no sign of an upturn yet. Overseas profits are down by 8 per cent to £1.1m. and the depressed level seen in the second half of last year. The only bright spot was engineering, but the 25 per cent increase in profits there owed more to a turnaround from losses than to any significant increase in demand.

Lonhro's loan stock conversion

Lonhro announces that since the recent amendments to the trust deeds constituting its 8 per cent convertible loan stocks, holders of £1,547,030 of the 1980/83 stock (comprising 89.9 per cent of the amount then outstanding) and £1,493,904 of the 1981/86 stock (32.7 per cent) have exercised their conversion rights. Stockholders are reminded that

Olives worry over foreign competition

The directors of Olives Paper Mill state that the 1p interim payment in respect of 1977 (reported on August 26 with the interim figures) is in anticipation of a reasonably free market for foreign competition, particularly from Europe, can be imposed and that competing home mills maintain a rational pricing policy.

Merchants Trust midway advance

Gross revenue of Merchants Trust rose from £1,077m. to £1,192m. in the months to July 31, 1977. Management expects the current interest took £119,063 compared with £121,263 and tax £115,231 against £76,768.

Dixons Photo optimistic

THE CURRENT year has started patchily with considerable consumer resistance for Dixons Photographic, Mr. Stanley Kalms, the chairman, tells members. However, unless there is any major change in world economic conditions, he expects the group to show further solid progress in 1977-78.



Mr. James Cleminson, chairman of Reckitt and Colman, who announces a marginal rise in first-half profits.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, Corresponding dividend, Total dividend, Total last year. Includes companies like Arrol-Johnston, Babcock and Wilcox, Barton and Sons, etc.

Manders looks to second half

ALTHOUGH DOWN by over 5m. in the first six months, profits of Manders (Holdings) for the current year are expected to exceed the record £2.6m. achieved in 1976.

Garford-Lilley at new peak

PROFITS FOR the year to March 31, 1977, of Garford-Lilley Industries expanded from £277,588 to a record £368,721, before tax of £194,023 against £141,117.

Changes Wares fund raising operation

A major Boardroom reshuffle and capital raising exercise is expected to be announced to-day as part of a rescue operation for Change Wares, the Surrey company which makes shopping baskets and wire-mesh shelving for supermarkets.

INTERNATIONAL TIMBER: A much better year

Extracts from the Annual Statement by the Chairman, Mr. R. E. Groves.

Results 1976 was a year of great economic uncertainty. In these conditions your Company and others in the trade adopted a cautious attitude. This, together with an improvement in demand, made for favourable trading conditions. Stock profits were made but the real benefits came from improved profitability generally throughout the Group and greater utilisation of facilities, especially manufacturing units. In fact, every company contributed to Group profits and it is pleasing to report a considerable improvement from the European Division.

Balance Sheet! During the year medium term loans totalling £10 million were taken up, resulting in a reduction in the use of bank overdrafts despite the need for more working capital to finance raw materials at considerably higher prices and the consequent increase in receivables. Current Assets of £89 million are up by nearly a third and are approaching twice Current Liabilities. The improved liquidity of the Balance Sheet is in line with objectives and is planned to continue.

Dividend Your Directors are recommending that the total dividend for the year be increased by the permitted maximum. As a result of the reduction of income tax announced by the Chancellor on July 15th this is now 6.3p instead of 6.2p stated in the preliminary announcement. With the interim of 2.5p already paid this requires a final payment of 3.8p. The dividend for the

International Timber and its subsidiaries are engaged principally in the production, importation and distribution of wood and wood products and as manufacturers and suppliers of materials and services to the construction industry, to industry generally and through branch outlets to trade and retail consumers.

British Mohair £1m. so far

IN THE half-year ended June 30, 1977, gross pre-tax profits of British Mohair Spinners rose from £0.72m. to £1.04m. on a turnover of £3.42m. higher to £12.33m. The directors say that although it has not been possible to maintain the higher level of profitability achieved in the second half of 1976 (£1.7m.), trading conditions in the first half of this year continued to be satisfactory.

Although the group continues to have a very good order position, profits for 1977 (which result from the deliveries of yarn) will be largely determined by trading conditions in the group's main export markets, and at the present time the signs are not encouraging.

Currently, the directors explain, exports are being restricted by the trade recession throughout the world and particularly in the European trade sales have been adversely affected by the cheap import of acrylic yarns. The investment in other spinners' activities, however, continues to be highly profitable.

The interim dividend is maintained at 0.715p net—the total for 1976 was 2.46p paid from profits of £2.09m.

comment

It is beginning to look as if British Mohair may not be able to sustain last year's recovery. Volume has now been static on the spinning side for 18 months while mohair prices have risen steeply. Compared with last year's second half, trading margins have dropped from 13.6 per cent to 10 per cent and pre-tax profits have fallen by 24 per cent. As interest charges have shot up to meet raw materials price

Progress by Joseph Holt

BREWERS AND wine and merchants Joseph Holt report turnover of £1.94m. for the half of 1977, compared with £1.13m. and an increase in tax profits from £234,245 to £254,564.

ISSUE NEWS

Yearlings fall to 6 2/3%

The coupon rate on the yearling bonds issued each week by Cleveland County Council (£1m.), Rhymer Valley Council (£1m.), Borough Council (£1m.), Weymouth District Council (£1m.), Walsby District Council (£1m.), Watford Borough Council (£1m.), City of Swansea (£1m.), Birmingham District Council (£1m.), Chester-le-Street District Council (£1m.), Waverley District Council (£1m.), Wycombe District Council (£1m.), Kilmarnock and Loudoun District Council (£1m.), Thames Valley Police Authority (£1m.), Newcastle-under-Lyme Borough Council (£1m.), Tweeddale District Council (£1m.), Alnwick District Council (£1m.).

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HOME NEWS

Coups can cut £1m. BR spends £67m. on freight

BY DAFTER, ENERGY CORRESPONDENT. CONTROL of energy use hand-in-hand with investment in new plant and equipment.

Dr. Cunningham thought that overseas industries which did not have access to high levels of energy efficiency...

BY JAMES McDONALD

BRITISH RAIL is spending £67m. to expand its network of air-braced "wagon-load" trains in a bid to win more lorry-size loads from road hauliers.

Mr. Peter Parker, chairman of British Rail yesterday introduced the service under the name of "Speedlink".

Speedlink has been developed for customers who want "less than trainload" service to complement the flow of bulk materials in trainloads between

private sidings which represents Railfreight's main strength. The service appeals to forwarders sending lorry-size loads between rail-connected premises.

Already 1,250 new wagons are in use on the service. Another 1,000 have started coming off the production lines at BR Engineering's works at Shildon, County Durham, and Ashford, Kent.

In the next four to five years 3,400 more wagons—2,000 open wagons, 1,100 steel carriers and 300 vans—should be available

for Speedlink in addition to new vehicles planned for other Railfreight operations.

The conference train will travel to 30 towns and cities. Industrialists and local authority planners will be invited to attend film presentations.

Speedlink trains, unlike previous wagonload services, do not get shunted in marshalling yards during their journey. They call briefly at key junctions instead to attach or detach groups of wagons.

Mr. Parker said: "This new commitment of capital is a sure sign of the nation's confidence in the railway's ability to fulfil a central role in the recovery of our economy."

The heavy lorry had a financial advantage over rail for lorryloads at the moment, "but I would expect our carryings to increase significantly once fair terms of competition have been set by the Government as promised in the recent Transport White Paper."



Mr. Peter Parker, chairman of British Rail, launches Speedlink.

BSR LIMITED Interim Report. Table showing financial results for the six months to 27 July 1977, comparing 1977 and 1976 figures. Includes Turnover, Trading Profit, Taxation, and Interim Dividend.

PROSPECTS. Though orders for record changer mechanisms remain reasonably strong from the U.S.A., demand from the United Kingdom and the other overseas markets where economies show little or no growth is much less than this time last year...

ONEY MARKET moderate assistance

of England Minimum Rate 6 1/2 per cent. September 9, 1977. The short supply to the money market yesterday, authorities alleviated by lending a moderate rate of two houses at 10 per cent. and closing balances have been slightly over-

most of the day's business was seen. Mid-afternoon saw the rate up to 6 per cent., and with a few establishments short at the end, money was seen costing up to 10 per cent. at the close.

Table of financial data including Sterling Certificate of Deposits, Interbank, Local Authority Deposits, Finance House Deposits, Company Deposits, and various market rates.

YACHTING BY SAM VITE

Ideal conditions for Courageous in America's Cup race

THE WEATHER seems to be specially ordered for the American defender, Courageous, as it went out to contest the first race of the America's Cup off Newport, R.I., yesterday, against the challenger, Australia.

Monday, the leaders of the two camps avoided making any predictions. Alan Bond, head of the Australian syndicate, said: "I think the boats are very evenly matched as far as skills, crew and equipment. One of us might have a faster hull, but I don't know which it might be. It will be a very interesting series."

Ted Turner's approach was equally low key. He refused to rise to the debating point about the Australians having a head start in the starting line. "I don't see any problem with that," he said. "If they want to use an American on their boat, it's a compliment to our country and we are happy to see very efficient at slicing through a choppy sea."

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. Japanese Yen 20,000,000,000. 6 1/4% Yen Bonds of 1977, due August 15, 1984. Daiwa Securities Co. Ltd., S.G. Warburg & Co. Ltd., Nomura Europe N.V., The Nikko Securities Co., Yamaichi International, The Bank of Tokyo, IJB International Limited, Nippon European Bank S.A.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Speculation over VW financing

BY ADRIAN DICKS

BOXX Sept. 13.

VOLKSWAGEN TODAY became the subject of intense buying interest on the Frankfurt Stock Exchange...

FUGIT suspended on bid hopes

By Richard Rolfe

JOHANNESBURG, Sept. 13.

SHARES IN First Union and General Investment Trust (FUGIT) were suspended in Johannesburg today because of negotiations which may lead to an offer to outside shareholders by the Guardian Liberty group...

FRENCH NEWS

Bourse watchdog bites

BY DAVID CURRY

PARIS, Sept. 13.

THE FRENCH Bourse's watchdog committee has decided to call in the public prosecutor over its allegations that the former subsidiary in France of the Swedish telecommunications company Ericsson produced irregular accounts for the three financial years 1973, 1974 and 1976.

The allegations are serious because in February 1976, the French Electronics concern Thomson-CSF agreed to take control of Ericsson, France, as part of the French Government's campaign to bring under national control the space-switching technology to be used in the country's massive telecommunications investment programme.

In the same cause Thomson also acquired the ITT subsidiary LMT whose Metaconta technology was to be used alongside Ericsson AXE system.

In July, Thomson exercised its option on the 16 per cent stake in Ericsson-France held by the French group, Compagnie Générale d'Electricité at the Bourse price of Frs.300 a share.

The Bourse price obviously reflected the view of Ericsson, conveyed in its financial reports—the reports whose validity is now being questioned. Thomson was subsidiary funds into its former subsidiary and it is believed that Ericsson may also have paid some compensation to Thomson.

Ericsson-France's accounts were examined by the Thomson mission de Operations de Bourse and over the next six months the share price halved. In November, the Ericsson-France Board, Ericsson-France had been appointed by Thomson.

Italsider seeks financial aid
ITALSIDER, THE troubled steel company controlled by the Italian state holding, Istituto per la Riconversione Industriale (IRI), has decided reports that it was no longer able to pay the salaries of its 50,000 employees.

EUROBONDS

Dollar sector lower again

BY MARY CAMPBELL

THE DOLLAR SECTOR of the Eurobond market continued to fall yesterday, the third day in the lower sector, the third day in the lower sector, the third day in the lower sector...

NEWLY ANNOUNCED yesterday was a \$35m. 15-year convertible for Babcock and Wilcox. It offers an indicated 7 per cent rate with the coupon payable at 5 and 7 per cent. Orion is lead manager of a point off yesterday from Monday.

Two developments triggered the further fall yesterday. One was the continuing rise in interest rates. The Eurodollar overnight rate is now up at 6 1/2 per cent, compared with 6 1/4 per cent yesterday and 6 1/4 per cent on Monday and 6 1/4 per cent on Friday.

Other factor was the disappointing reaction of the secondary market to the two European Coal and Steel Community issues.

These had been billed during the offering period as a big success—market rumors had it that issues were fully subscribed within three hours of being announced. Due to overwhelming demand the offering period was shortened by three days and the issues were priced at what were generally regarded as substantial premiums. Though, given the length of the final maturity, the effect on the yield was comparatively small.

When trading in the bonds started yesterday morning, however, they sank to the limit of the 42 per cent and local selling group discount. The 30-year tranche, having been priced at 100 1/2 to yield 8 1/2 per cent, was quoted at 99 1/2 by the close yesterday. The 12-year tranche, dividends received.

Ennia's earnings growth

BY MICHAEL VAN OS

AMSTERDAM, Sept. 13.

ENNIA, THE last of Holland's four insurance companies to publish its half-year results, reported a net profit increase of 21 per cent to Frs.18.5m. from Frs.15.3m. The profit per ordinary share rose up to Frs.10.35 (Fr.8.91), which is an increase of 16 per cent.

The company said in its statement in The Hague today the Board was able to maintain its earlier forecast which was that this year's profit per share would show an increase. It is raising the interim dividend to Frs.2.75 per ordinary share (Fr.2.25), but it was stressed that this did not mean that the full dividend would be up on last year's as the increase was declared to achieve a better balance between interim and final dividends.

It stated that the profit development had been favourably affected by tight cost control, as a result of which the increase in expenses was up only 6 per cent in the first half compared with 13 per cent in the same 1976 six months.

Ennia's first-half turnover (gross receipts) amounted to Frs.910.4m., which is up 13 per cent on the corresponding period of last year. Gross receipts from life insurance increased by 8 per cent, with the results in this sector amounting to Frs.23.9m., which was in line with expectation. New business was up 10 per cent, largely due to a strong rise in new individual mortgage-linked policies. The statement said that in non-life gross re-

Atlas Copco deal off

By John Walker

STOCKHOLM, Sept. 13.

NEGOTIATIONS BETWEEN Atlas Copco, the Swedish compressed air equipment manufacturer, and Soltair Inc. of Michigan, U.S., for the Swedish company to acquire the shares of Soltair have been broken off at the request of the U.S. company's Board.

Atlas Copco had made a \$40m. bid for the shares in Soltair and it was expected that the deal would go through subject to the approval of Federal authorities and the Swedish Riksbank.

Soltair is reported to have said that they wish to break off negotiations as they felt there were going to be problems with the U.S. anti-trust laws.

Lip workers battle on

By Robert Mauthner

THE WORKERS of the famous Lip watch-making factory, which was declared bankrupt last year and which was ordered to go into liquidation by a commercial tribunal yesterday, are still refusing to accept that their last hour has struck.

After a long last-ditch battle to save their dying company and their own jobs for the past four years, the local trade union which represents the Lip workers intends to appeal against the judgement on the grounds that the company was kept in liquidation by a commercial tribunal yesterday, are still refusing to accept that their last hour has struck.

The Lip workers are also currently studying the possibility of supplying watches to the newly-independent former French territory of Algeria in the horn of Africa. But it seems unlikely that they can play for time for very much longer.

Clydesdale Bank advertisement featuring 'BASE RATE' and 'Clydesdale Bank Limited announces that with effect from 14th September 1977 its Base Rate for lending is being reduced from 8% to 7% per annum.'

Commerzbank advertisement: 'Commerzbank is now operating a full-service branch in Tokyo.'

Commerzbank advertisement: 'Commerzbank, the first German bank to open a representative office in Japan (in 1911), is now operating a full-service branch in Tokyo.'

own heavy burden of indebtedness, the company said. Although it did not disclose how much it had lost during the first half of this year, the figure is understood to be in the region of £200m. or about £200m.

AMERICAN NEWS

New disclosure rules

BY STEWART FLEMING

NEW YORK, Sept. 13

THE SECURITIES and Exchange Commission has laid down new rules requiring commercial and industrial corporations to give a more complete picture of their investments in securities.

The rule a commercial or industrial company will be required to disclose detailed filings of securities of an issuer that exceeds 2 per cent, or more of the company's total assets.

A company with such a 2 per cent concentration in its investment portfolio will have to report in its annual report and registration statements the name of the issuer, the cost of the securities, and the total amount of the issuer's securities held, measured at both book and market value.

A brief description will be allowed for securities below the 2 per cent threshold, but the companies will have to disclose in their reports any unusual risks or uncertainties relating to their investments or concentration of investment.

Ashland tax agreement over Corco deal

ASHLAND Oil said it and the Government of Puerto Rico have agreed in principle on various tax issues should Ashland decide to invest in Commonwealth Oil Refining Company (Corco). Router reports from Ashland.

Morgan Stanley plans

THE COMBINATION of Shuman Agency and Company with Morgan Stanley and Company agreed in principle on July 12 has been completed. Mr. Robert H. B. Baldwin, president of Morgan Stanley, and Mr. Peter C. Shuman, chairman of Shuman Agency, said, A.P.D.J. reports from San Francisco.

Mr. Baldwin said Morgan Stanley has established institutional marketing capabilities in San Francisco under its own name, and is expected to establish a presence in several other regional financial centres in the next year or two, but the manner of proceeding has not yet been established.

Galaxy agreement off

THE GALAXY OIL company said it ended its preliminary agreement to be acquired by the Natomas Company for about \$550m. in cash, A.P.D.J. reports from Wichita Falls, Texas.

The preliminary pact announced last July called for Natomas to pay \$10 for each Galaxy common share and \$2.50 for each Galaxy warrant.

Galaxy said that last Friday Natomas said it had not completed its technical and engineering evaluation of Galaxy's properties and asked for more time to finish the evaluation.

British Mohair Spinners Ltd INTERIM RESULTS

It is the Directors' intention to pay an interim dividend of 7.15 pence (1976 7.15 pence) per share which with the tax credit available to certain shareholders is equivalent to a gross dividend of 7.08 pence per share. The dividend will be paid on 28th October next to ordinary shareholders on the register of members on 30th September and will cost £2,178 (1976 £2,178).

Table with 3 columns: Metric, 1977, 1976. Rows include Group Turnover, Profit before interest and taxation, Interest payable less receivable, Net Profit before taxation, Estimated Taxation, Net Profit after taxation, Extraordinary items, Profit available for distribution, Preference Dividends, Profit attributable to Ordinary Shareholders.

Trading conditions in the first half of 1977 continued to be satisfactory. However, it has not been possible to maintain the increased profitability which occurred during the second half of 1976.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

مكتبات الصحف

FN smooths loan financing path

FFREY BROWN
The National Herstal giant small arms maker recently won a massive contract to assemble for the F-16 fighter plane...

Renown first half

RENEWON INC consolidated net income was \$8.89bn for the first half ended June 30, Reuter reports from Tokyo...

itch crack down on investment houses

CHAEI VAN OS
AMSTERDAM, Sept. 13.
The end of the book year and no later than two months after the half-year has ended. The annual report must be accompanied by a complete list of investments with extensive details and reviews...

Tunisia comes to the market

EUROCREDITS
BY FRANCIS GHILES
TUNISIA is tapping the euro-markets for the first time and raising \$100m over seven years at a spread of 11 per cent over Libor. Lead manager is Bank of America and the loan has a four year grace period...

No holding Guetersloh giant

BERTELSMANN
BY JONATHAN CARR
BONN, Sept. 13.
THERE SEEMS to be no holding through IFI in 1974 for a sum believed to be about \$70m. The West German media concern already a giant...

SELECTED EURODOLLAR BOND PRICES

Table with columns for Bond Name, Offer, Bid, and Price. Includes sections for STRAIGHTS, D-MARK BONDS, and CONVERTIBLES.

Highveld meets sales problem

BY RICHARD ROLFE
JOHANNESBURG, Sept. 13.
THE ANGLo AMERICAN group's Highveld Steel and Vanadium reports difficulty in marketing all products during the year to June 30, especially in the second half...

FELS up 80% at halfway

BY H. F. LEE
SINGAPORE, Sept. 13.
FAR EAST LEVINGTON Shipbuilding (FELS), one of Singapore's major oil rig builders, has chalked up a surprising 80.2 per cent increase in pre-tax profit to \$88.35m for the half-year ended June 1977...

Wearne Bros. shares taken

SOME 68 per cent of the 6.37m shares in Wearne Brothers offered by the Wearne Family through its investment company, Western Overseas, have been taken up, writes H. F. Lee...

Esso AG plans

Esso AG Managing Board member Thomas Koblmoegen said he does not rule out the closure of part of the company's plants...

Marui profits forecast

MARUI COMPANY, Japan's leading installment sales chain, announced yesterday that its July 30 half-year net profit rose to Y.3,912bn, up 16.5 per cent from Y.3,382bn...

New camera from Konishiroku Photo

KONISHIROKU PHOTO Industry Company said that it has developed a camera, the Konica C35AF, which focuses automatically, Reuter reports from Tokyo...

Nippon Fire in NY

NIPPON FIRE and Marine Insurance Company of Japan said that its U.S. unit has been licensed to write all lines of casualty property insurance in New York State...

Advertisement for Associated Japanese Bank (International) Limited, featuring the 'ajb' logo and details about services and shareholding.

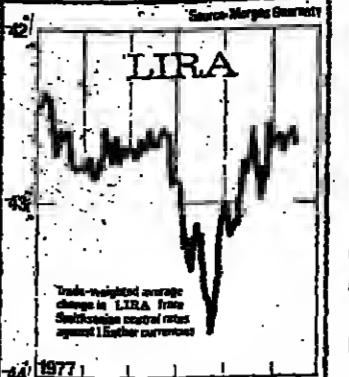
Advertisement for EMPRESA NACIONAL SIDERURGICA S.A. - ENSIDESA - offering a US\$55,000,000 MEDIUM TERM LOAN, managed by London Multinational Bank Limited.

Vertical advertisement on the left edge of the page, partially obscured, mentioning 'Dollar' and 'lower'.

Wall Street Overseas Markets
Low fluctuates to end a shade firmer Sterling strong

GOLD MARKET

Table with columns for Gold Bullion (in fine ounces), Gold Coins (domestically), and Gold Bars (domestically).



FOREIGN EXCHANGES

Table with columns for City, Bank Name, and Market Rates.

CURRENCY RATES

Table with columns for Country/Currency, Price, and Date.

EXCHANGE CROSS-RATES

Table showing cross-rates between major currencies like Frankfurt, New York, Paris, etc.

EURO-CURRENCY INTEREST RATES

Table with columns for Currency, Term, and Interest Rate.

OTHER MARKETS

Table listing prices for various commodities and securities in other markets.

BY OUR WALL STREET CORRESPONDENT

WITH TRADE restricted by a 533 on news that merger talks...

TUESDAY'S ACTIVE STOCKS

Table listing active stocks and their prices.

OTHER MARKETS

Canada mixed: A mixed performance occurred on Canadian Stock Markets...

PARIS—Market strengthened

rose DMS to 188 on speculation of a dividend and capital increase.

NEW YORK, Sept. 13

and there was sufficient selling to bring the market index down...

BONNEVILLE—Gold was

encouraged by further indications of a steady inflow by selling...

HONG KONG—Slightly easier

in fairly quiet trading.

TOKYO—Mixed trend

prevailed in investor demand generally...

OSLO—Quietly steady

in routine trading.

STOCKHOLM—Tending to gain

ground, with Alfa Laval leading the way.

MILAN—Mainly lower in lack

of lustre in trading, although Fiat advanced 4 1/2 points.

SPAIN—The lack of interest

shown by buyers lately continued.

N.Y.S.E. ALL COMMON

Table with columns for Date, High, Low, and Volume.

MONTEAL

Table with columns for Date, High, Low, and Volume.

TORONTO

Table with columns for Date, High, Low, and Volume.

JOHANNESBURG

Table with columns for Date, High, Low, and Volume.

GERMANY

Table with columns for Date, High, Low, and Volume.

AMSTERDAM

Table with columns for Date, High, Low, and Volume.

TOKYO

Table with columns for Date, High, Low, and Volume.

AUSTRALIA

Table with columns for Date, High, Low, and Volume.

OSLO

Table with columns for Date, High, Low, and Volume.

JOHANNESBURG

Table with columns for Date, High, Low, and Volume.

Indices

NEW YORK—DOW JONES

Table with columns for Date, High, Low, and Volume.

INDICES

Table with columns for Date, High, Low, and Volume.

STANDARD AND POORS

Table with columns for Date, High, Low, and Volume.

STANDARD AND POORS

Table with columns for Date, High, Low, and Volume.

OVERSEAS SHARE INFORMATION

NEW YORK

Large table listing various international stocks and their prices.

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NEW YORK

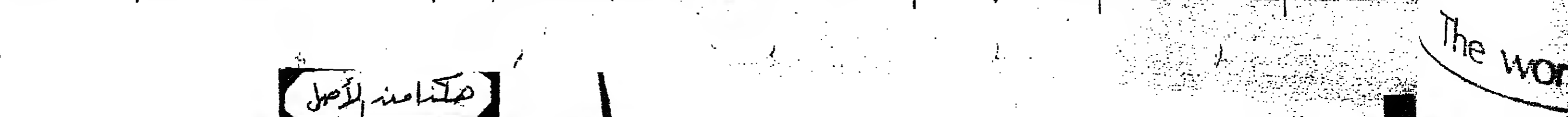
Large table listing various international stocks and their prices.

NEW YORK

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NEW YORK

Large table listing various international stocks and their prices.



# FINANCIAL TIMES SURVEY

Wednesday September 14 1977

مكثامن الأصيل

## Catering Equipment

Producers of catering equipment are feeling well satisfied with their recent performance. U.K. companies achieved an increase of 30 per cent. in total sales and much of this was due to the success of a big overseas marketing effort.

THE best indication of the U.K. catering industry is the 1977 survey conducted by members of the Catering Equipment Manufacturers Association (CEMA). This organisation represents the large and many smaller manufacturers. Their total sales were up some 30 per cent. to £58.5m. in 1977, outpacing the rate of increase in volume in value.

It is difficult to balance the picture by producing import statistics. These figures are simply not isolated by the Department of Trade although CEMA has been pressing for this to be changed. One indication, however, is that the Italian-owned Zoppas business, the major importer, has a turnover of around £1m. a year. CEMA has 60 members, many of them small, independent companies with sales of anything between £1m. and £2.5m. annually.

### Subsidiaries

However, the major manufacturers tend to be subsidiaries of public companies. Thorn, for instance, owns three catering equipment concerns in James Stott and Co. (Engineers), Botherham and Sons, and Crypto Peerless. Tube Investments has rationalised its catering equipment sales by the U.K. last year reached

£11.3m., according to CEMA, also more than 30 per cent. up on the £8.5m. for 1975. And exports, therefore, represented 15 per cent. of the industry's turnover. The main competition internationally comes from the Americans and the Italians and from West Germany and France to a lesser extent. The manufacturers seem fairly confident they can keep up the good work. Glynwed said recently, for example, that overseas sales for its Falcon Catering Equipment "look extremely encouraging."

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welded the previous three or four separate businesses into T1 Catering Equipment now based in Leeds. Glynwed, as previously mentioned, owns Falcon Catering Equipment and is also represented in a different part of the market by the sink manufacturer, Pauls. There is another amalgamation of companies in the catering equipment division of

Charter Consolidated. Four companies have been brought together and are now operating as Heatrae. Charter Consolidated's satisfaction with this business was in some extent reflected in the recent £12.7m. acquisition of MK Refrigeration which makes bar cooling equipment, commercial refrigeration units and drinks dispensing equipment and thus fits in quite neatly with Heatrae. Another public company with substantial catering equipment interests is UKO International, formerly known as United Kingdom Optical. Starting with W.M. Sill and Sons, it went on to develop the Sill group

And on another level there has been considerable rationalisation of product ranges, something which has also been done quite quietly. Companies have been eliminating some products from the range they make and replacing them from elsewhere in the industry—often sticking their own label on an outside supplier's equipment.

Bar this approach means that U.K. companies which are willing to take responsibility for the design and installation of a total system—of whatever size. The main material used for catering equipment today is stainless steel. The cost of stainless steel has risen very quickly from £900 to £1,000 a tonne and CEMA says that on average it accounts for 20 per cent. of the cost of catering equipment. A hard up as they once feared they might become.

And apart from new catering establishments, the equipment makers can count on considerable business from replacement and refurbishing of kitchens and services, something which continues in spite of recession and in spite of the fact that most items of catering equipment are built to have a useful life of at least ten years. In recent years, too, the authorities appear to have been entering the hygiene regulations more rigorously and this has had an impact—one London hotel was recently given the "thumbs down" by the hygiene inspectors and immediately closed its kitchens for a complete refurbishing, for example. There is not much of a push for caterers to replace existing equipment because new technology has been introduced. Mr Adam Vetch, chairman of CEMA and managing director of Smith and Wellstood (GB) maintains: "The nature of movement in this industry is evolution rather than revolution. We tend to make improvements in existing products rather than produce dramatic new ones."

And the larger companies are offering the newest in catering technology. At the new Wembley Centre, for example, a staff of only 11 people can cope with the kitchen side of the catering because they can work continuously rather than just at periods of peak demand. Food is prepared, cooked and then chilled and kept in storage until it is required. Then it goes into convection ovens before being served from heated containers.

One of the great debates going on within the industry at the moment concerns just how far rationalisation of products should go. Should the U.K. manufacturer give the customers exactly what they ask for or should they insist the customers choose from a range of standard products? The answer obviously is somewhere between the two. In the meantime, as Mr Vetch says: "There is no feeling of depression in this industry. We feel we can keep our home market customers happy and in international markets we have nothing to fear from the competition."

And apart from new catering establishments, the equipment makers can count on considerable business from replacement and refurbishing of kitchens and services, something which continues in spite of recession and in spite of the fact that most items of catering equipment are built to have a useful life of at least ten years. In recent years, too, the authorities appear to have been entering the hygiene regulations more rigorously and this has had an impact—one London hotel was recently given the "thumbs down" by the hygiene inspectors and immediately closed its kitchens for a complete refurbishing, for example. There is not much of a push for caterers to replace existing equipment because new technology has been introduced. Mr Adam Vetch, chairman of CEMA and managing director of Smith and Wellstood (GB) maintains: "The nature of movement in this industry is evolution rather than revolution. We tend to make improvements in existing products rather than produce dramatic new ones."

## Effort is rewarded

By Kenneth Gooding, Industrial Correspondent

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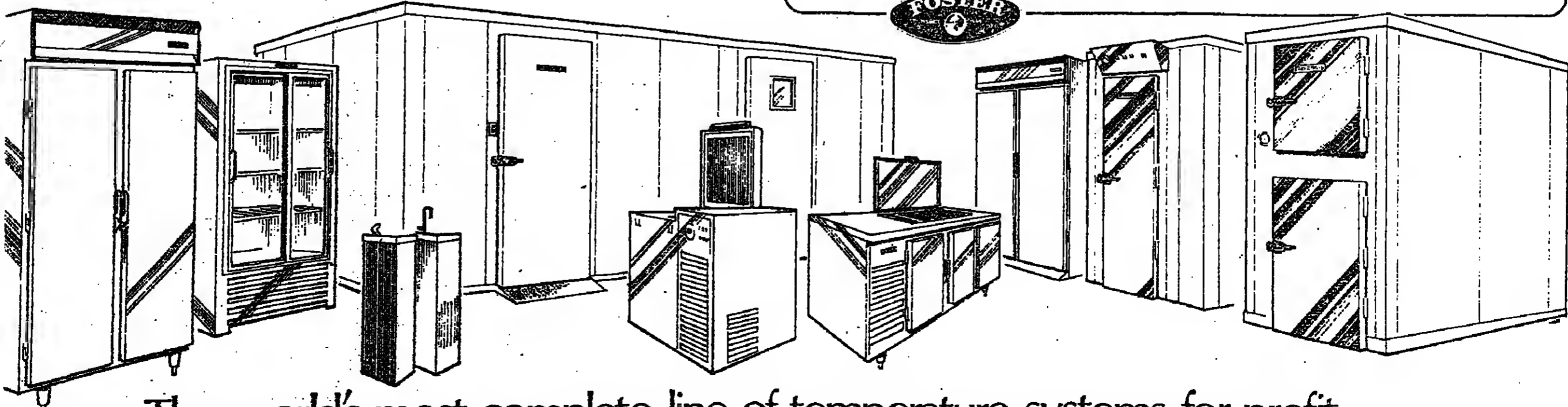
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- Foster Refrigerator Continental, Amsterdam, Holland, Telex: 43653
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CATERING EQUIPMENT II

# Hygiene requirements



**BENHAM'S  
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 Wash Pans, Free Flow  
 Service Counters, Fryers, Grills  
 Boiling Pans and Kettles  
 Heavy Duty Ranges  
 Steaming and Basting Ovens  
 etc.

*The Light Equipment and Utensils Division supplies:*  
 Convection Ovens, Gas Grills, Range  
 Fryers, Melters, Dish Washers  
 Purifiers, Sauté Equipment  
 etc.

*Conveyor Catering Specialised Catering Aids include:*  
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IT IS the user not the manufacturer of catering equipment who is behind the times—and often outside the law—on the subject of hygiene. So speaks the catering equipment industry with obvious bias but some justification — enough certainly to give substance to what could read like a presumptuous generalisation.

Through CEMA—the Catering Equipment Manufacturers' Association, the industry mouth-piece—the major manufacturing companies like Thorn, Tube Investments, Glywedd and UKO International argue that in recent years they have achieved near miracles of standards of cleanliness and that the battle for still greater precision in matters of hygiene continues unabated. The gap in effort and achievement between the caterers and those that supply them with labour saving devices has, they say, widened to a gulf of near yawning proportions.

If all this sounds a trifle one-sided it should be borne in mind that catering attitudes to standards of hygiene are changing, helped along by the introduction of the Foods and Drugs (Control of Food Premises) Act of 1978. Adverse publicity has also been a pressure point.

In effect the new Act gives local authorities the power to apply for an emergency order in respect of dirty food premises to be closed until the dangers are removed and the premises in question brought up to an acceptable standard of hygiene.

New developments in interpretation of hygiene laws mean that staff as well as owners—and this is a crucial addition to the new legislation—can be prosecuted for failing to maintain a required standard of cleanliness. But many people claim that there is still a long way to go before the UK has a cohesive code of practice in matters of catering hygiene.

Many observers in the catering equipment industry point to the way the UK compares unfavourably on matters of hygiene with the U.S. where a body called the National Sanitation Foundation has been in operation since 1944.

Towards the end of the Second World War a small group of American industrial and public health leaders realised that more solutions to modern sanitation problems affecting industry and public health could be developed through mutual understanding and co-operative action than through ordinances, inspections and law enforcement. As an example of the health differ-

ences in catering between the U.K. and the U.S. one only has to look at the amount of stainless steel used in catering equipment. According to the British Steel Corporation, the U.S. uses roughly 2½ times as much stainless steel on a per capita basis in catering equipment than is used in this country.

By and large, catering equipment can be broken down into four simple classifications—storage equipment, preparation equipment, serving equipment and cooking equipment. The first category includes refrigerators while devices like peelers, washers and cutters come into the area of preparation. In all four categories the manufacturers depend heavily on the use of stainless steel.

### Cleaning

One of the most hygienic and easily cleaned materials known in man, stainless steel surfaces are non-porous and are therefore immune to bacteria. The metal is non-toxic and will not impart odour, colour or taste into food—meeting, incidentally, all the most recent draft EEC directives on the subject of catering hygiene. At the same time stainless steel consists of more than a superficial protective coating and thus does not chip, graze or dent—and does not lose its corrosive resistance even after years of service.

Equipment manufacturers like Sissons, a private concern which has a major stake in the U.K. sink unit market, is clearly dependent on stainless steel, while other private organisations like Imperial Machine (Peelers) and Oliver Tom's Catering—which is big in fish fryers—also use a great deal of the metal.

Four years ago the British Steel Corporation launched its Clean Kitchen Award scheme because of "our concern at the appalling conditions that could be found in some of Britain's catering establishments." The award scheme was founded in conjunction with the Egon Ronay organisation and since its inception the scheme has awarded 413 plaques and rejected 211 as "not meeting the very high standard which we set."

Under the Award scheme, environmental health officers are employed to inspect each of the applicants before awards are made. Re-inspections take place at frequent intervals and plaques are withdrawn should a catering establishment fail to maintain its original standard.

The scheme is a serious attempt to raise standards of hygiene in the catering world by giving commercial kitchens

with first class equipment, that the general construction and operation of the kitchen—notably in the areas of storage and waste disposal—is of a high standard of hygiene.

One of the bigger catering equipment companies, UKO International which used to be known as U.K. Optical operate an unusual service for caterers which naturally lends itself to greater hygiene. The company operates what it calls a tea and coffee plan under the brand name of Cory. The service operates on the basis of UKO installing tea and coffee (or both) machines in bars, restaurants and offices.

The installation is made free of charge but recipients undertake to buy their requisite raw materials—tea, coffee, milk—from the Cory plan for a specified period. The return on such sales allow the company to depreciate the free installation of the leverage making equipment over something like three to four years. The system has taken UKO directly into competition with the vending machine industry—at the very top end of the market, where efficiency of service and standards of hygiene are an all-important adjunct to convenience of operation.

Jeffrey Brown

**"It's just right for the sort of cooking I do—plenty of room but nice and compact and beautiful to keep clean. It's like magic, this Gascraft"**

says Peggy Huber of *The Perseverance, Wraybury.*

"The stainless steel and black enamel means you can clean it easily. No awkward places to trap dirt."

"I'm just a cook, not a film star but I'm glad to tell anyone about this Gascraft cooker. It's a beauty, it really is."

"I easily get four big soucepons on top, and look at the size of the oven—I've cooked a 36lb turkey in there."

"See how handy the two-section drip tray is. You can wash it up easily."

"That ignition button. I like that. The gas lights up immediately."

"That flexible connection's a good idea."

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## Changing technology

THE ACTUAL system of preparing food by heat-cooking wife, at a time when most as we know it—has remained basically unchanged for centuries. New technology there, tends to affect certain catering sectors more radically than others, with innovation rather than revolution the order of the day.

Although "eating out" is big business with some 22m. meals or snacks served weekly outside the home, a lack of detailed market research, helped perhaps by the fiercely independent nature of most caterers, tends to inhibit equipment development. Members of the Catering Equipment Manufacturers' Association are often criticised by caterers for failing to innovate. They reply that caterers ought to tell them more clearly about the new equipment they require. Despite this lack of contact, today's competitive equipment market appears to hinder development, which can be wrongly regarded as a costly overhead. Many new developments, such as cook/chill have been developed abroad, rather than as a result of research in the U.K.

Of course, High Street restaurants, pubs and canteens serving some 7m. meals a week, are scarcely interested in the "latest" item of technology. Oliver Tom's Cheffaire, after Problems of staffing, food costs and rating assessments tend to be seen to be more important, whereas the rising costs of new equipment has stimulated a thriving second hand market. New technology often arrives from outside the industry. Marks and Spencer has successfully developed the chilled food Cold Chain system with

### Implications

The commercial implications of this system for the catering are already being realised by companies such as K Goacks of Wolverhampton whose new central kitchen utilises the latest chilling technology developed by Fosters (U.K.) to offer good quality menu-range over 30 items aimed initially at industrial, pub and institutional users.

Less spectacular innovation by taurans, pubs and canteens include smaller forced air convection ovens, such as the "Convectomat" Junior and the "latest" Oliver Tom's Cheffaire, after regenerators frozen foods. It is a matter of controversy whether these systems are suitable for "Meals on Wheels" operations, enabling perhaps a three-day meal supply to be delivered to the domestic refrigerator, for simple reheating by the elderly person or certainly cook/chill operations of this nature.

Continued on next page

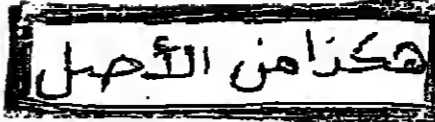


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# The 'fast food' business

FE of all the efforts is going on at a great pace to solve this problem. Whatever the particular white fish involved, the equipment used in the fish and chip shop in Britain will remain more or less of the same type, fryers, warmer and ancillary items like steam beaters for the (sometimes "mushy") peas; splitters for chicken and so on.

Although the fish and chip shop equipment might appear to have remained more or less the same through the years, there have, in fact, been significant changes. The coming of infra red heating transformed the warming side of the process for example.

Then most fryers are fuelled by gas and the Gas Council's more stringent regulations about such things as flame failure devices have forced some changes on the manufacturers. New hygiene regulations have also had an impact.

And to-day nearly every fryer must include a forced extraction unit. These not only take away the cooking fumes but also empty the shop itself of the smell of frying fish. To achieve this, large-sized motors and big fans are fitted, of a kind not required on any other type of equipment. So fish and chip equipment is very specialised and is custom-built for the individual retailer — custom built around standard units that is.

The equipment used in the Wimpy bar is an important part of the overall concept — that of having a simple menu involving only simple tasks for the staff to perform. (Originally the idea was that all that would be needed was a grill for the hamburger and a toaster for the bun. But the British public's demand for chips with everything meant that chip fryers soon had to be added.)

The equipment used in the average Wimpy bar is not expensive, costing something in the region of £4,000, and the important bits—the grill and the toaster—are supplied free as part of the overall franchise arrangement by Wimpy International.

Compare this with the £120,000 McDonald's is reputed to have spent on equipment for its Haymarket, London, branch

One reason, of course, is that the average McDonald's is about ten times the size of the average Wimpy bar. The Wimpy bar has from around 75 seats up to about 180 in some city centre sites.

In the larger establishments there might be a case for using more expensive equipment to cut labour costs. But for the small ones the prime concern is getting equipment which uses fuel efficiently.

McDonald's, with its emphasis on capital cost rather than labour, is supposed to have computer-controlled fryers at the Haymarket branch while the Burger King chain uses microwave grills, also high in capital cost but labour-saving in its outlets. These, again, tend to be much larger than the usual Wimpy bar.

The slow rate of progress the McDonald's business is making is to some extent related to the problems all fast food concerns have in obtaining the necessary planning permission once the ideal site has been located. Local authorities dislike the fast food outlets because of the litter their customers leave behind

to move to Britain, another 45 per cent while an Englishman, Geoffrey Wade, formerly a director of the Burtoo tailoring group, has the remaining 10 per cent. Its progress in the U.K. so far has been less than sensational. Started in November 1974, the company still has only eight outlets, although two more are due to open their doors this month. All the branches are in London.

McDonald's was peculiarly coy when asked about the equipment in its outlets. Its spokesman refused to give details because "we don't want the catering Press to read about it."

This suggests that something pretty unusual is going on at the McDonald's branches and might explain why its hamburger taste the way they do.

Shareholding  
In the U.K. McDonald's is operating through a company in which the American group has a 45 per cent shareholding with Bob Rhea, an American who gave up his franchise in Ohio

Technology  
This is this type of discussion relating to new equipment to kitchen planning with unfortunate results. Criticism also concerns the "in house" planning services offered by some equipment manufacturers as a customer service.

Conference complex administrators, as a new breed of executive, are particularly conscious of the importance of cost effective, top quality catering. At the Brighton Centre, catering has been a prime consideration, and the systems introduced there represent modern technology combined with traditional production techniques. At the Barbican Arts Centre, now nearing completion, Mr. Henry Wrong, the administrator, insisted on studying international catering methods and techniques, after which he and his committee finally chose the Regethermic

High-speed steam cookers are another recent introduction from overseas, enabling caterers to cook both fresh and frozen vegetables speedily, and therefore serve a much improved and more nutritious meal. These cookers are still relatively expensive when assessed in terms of volume to cost, and initial maintenance problems have been reported on the catering grapevine.

With individual ovens on the Continent, and possess the immediate advantage of allowing the recipient to choose his or her mealtime, while possibly enjoying a better product. Some catering officers appear to agree with this view, while others deplore the lack of daily contact which such technology might introduce, and also dispute the large projected savings involved.

Refrigeration manufacturers obviously also see their advisory role as developing in step with their new equipment. Fosters (U.K.) have long been in the fore of blast freezing schemes, but the higher capital costs for cook/freeze, combined with a much reduced menu range and increased energy costs, are leading the company to develop their new blast chiller ranges.

Mr. Michael Dowling, Sales Director commented: "It costs almost 2p to freeze 1 lb of food, and approximately half that to chill the same quantity. It also costs three times as much energy to raise frozen food to eating temperature, as it does chilled equivalents. These cost implications are really considerable in terms of large scale schemes."

A further development in the refrigeration world has been the freeze/thaw cabinet produced to "relax" frozen food before reheating—as opposed to previous methods of reheating direct from frozen. The term "relax" is incidentally an American import in this context!

One innovation which seems not to have fulfilled its early promise is the combined microwave and forced air convection oven. The scope appears limited and their complexity can often overwhelm the traditionally trained chef.

However, new catering equipment can often become an early victim of the "Overkill Technique." Microwave ovens themselves only recently emerged unscathed from the earlier extravagant claims made on their behalf by eager salesmen.

Microwave "magic" can certainly prove a boon to the smaller operation in order to prime cook, or more important perhaps, reheat. But reheating times are of great importance and inexperienced operators would do well to study textbooks on the subject. Lewis Napleton's newly published

"Microwave Cookbook" instance, contains a wide selection of dishes from lobsters thermidor to cauliflower cheese. New Microwave self-serve facilities are also being successfully installed with a combination chilled vended meals which microwave ovens for swift heating. Equipman Desi Associates have been responsible for some new developments in this sector for industrial and night-shift location. Night shifts can prove costly catering nightmare, as catering contractors, Reba Catering are utilising an infra red oven system for this purpose at Lesneys, where both small night shift and main meal service is being chilled and regenerated at the respective points of service.

Guarantee  
Recent microwave developments include the three-year guarantee from Litton, who produce a time button series of simply oven operation. Another company, Sharp, manufacture a microwave oven with revolving turntable to eliminate the "blind" cooking spots which can lead to uneven re-heat problems. The Phillip "time token system" can also help to simplify operations in self-help microwave facility.

Self Help Bain Maries is a further example of a re-think in standard catering practice. Tony Walford, managing director of Grand Metropolitan's Midland Catering, introduced this system successfully in the industrial catering world, where it can help to reduce counter staff and speed service. Food containers are slightly raised and inclined forward to assist customer choice, and presentation is also improved with this method.

A more radical innovation is the self-serve revolving Carousel counter which circulates some 35ft. of service counter in a much reduced floor area. These counters certainly eliminate the horrendous associated with normal self-service queues, and as six people can choose their meals simultaneously, service speeds improve too. Carousels were recently installed in the new B.R. Sealink Irish Ferry, where they have reportedly doubled customer meal uptake, and proved extremely popular at the same time.

On both sides of the counter therefore, catering technology stimulates improvements in both quality and menu range—improvements which can also considerably enhance working conditions in one of the U.K.'s largest and most diverse industries.

Harvey Herrmann

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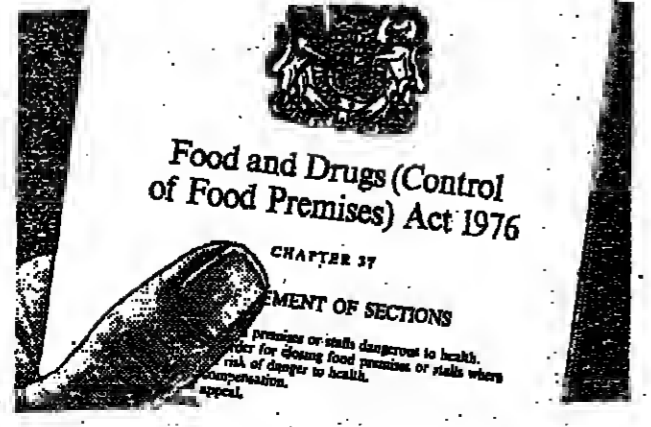
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Quality  
Catering

# URGENT

## Some timely advice about your catering operation from BSC stainless

**Consider the new legislation**  
Where Environmental Health Officers find unhygienic catering conditions, the Manager, the chef and staff may face prosecution as well as the owning company.  
Already there have been successful prosecutions and kitchen staff heavily fined for their failure to keep premises clean. More summonses are likely.



The Food and Drugs (Control of Food Premises) Act also empowers Local Authorities to close down such unhygienic establishments at just 72 hours notice.  
Recent legislation on Fire and Health and Safety Regulations could also threaten your catering operation.

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Providing catering facilities is a major problem. The costs and difficulties increase every year. Old equipment is expensive to operate. It is awkward and costly to keep clean.  
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Catering today is becoming more complex but manufacturers offer consultancy services on catering systems and layouts. So contact your suppliers of catering equipment now for free advice.  
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ANY DISCUSSION of the distribution services within the catering equipment trades must invariably start with CEDA. Formed barely six years ago the Catering Equipment Distributors' Association has had a remarkable impact on what until recently was an ill-organised and fragmented system of medium to small independent distributors handling the wares of the manufacturing industry. To-day, under the CEDA banner, the major distributors work together much more as a cohesive unit.

There are 39 members within the Association and it is clear that a standard for distribution with the catering equipment trade has now been firmly established. To qualify for membership of CEDA a distributor must offer a complete range of catering products, must maintain an after sales service either of his own functioning or through links with a manufacturer and must offer a design service.

The major members of CEDA take in the Staines Group which is based in Southall and is part of the first and Mallinson conglomerate whose turnover in 1975-76 topped £1.5m. UBM Millers (part of the UBM building materials organisation) also figure prominently along with Veates Catering Equipment which is controlled by the Red Bull group. Another member is Seobie and McIntosh which

### Costs

Two years ago CEDA launched a liaison committee in conjunction with its counterpart among the companies manufacturing catering equipment. With CEMA (the Catering Equipment Manufacturers Association) the distributors and manufacturers liaison committee regularly discuss their respective and overlapping problems— notably those subjects touching on costs and

Rationalisation within the catering equipment trades is not, however, the sole preroga-

tive of the distributors themselves. Some of the major manufacturers have recently been taking a hard look at their own systems and uses of distribution. One notable example is TI Catering Equipment's recently formulated marketing strategy which is the fruit of seven years of gradual reorganisation of three formerly separate manufacturing companies into one larger unit. This move, together with related capital investment, cost the company's parent organisation, Tube Investments, something like £1m.

TI Catering Equipment's new marketing strategy is geared to updating and improving customer relations and services, and it centres on a new operation known as Caterlink. Caterlink is in fact the name given to a small nucleus of existing independent distributors within the catering equipment trade. These continue to operate independently of the Tube Investments umbrella but will have their traditional specialist service augmented by the general hark-in operation (mostly maintenance) of TI Catering.

Eventually, TI Catering hopes to stop all direct selling through the group sales forces without disturbing, and possibly enhancing, the existing customer rapport. The three companies involved in this internal reorganisation at TI Catering were Jackson Boilers, Palestine Rangemaster and Top-Choice—

respectively manufacturers of water boilers, medium to heavy duty gas cooking ranges and (at Top-Choice) a light to medium heavy range of back bar grills and cookers which the company supplies, among other customers, to the Lido Bites restaurant chain owned by the Associated British Foods group.

To some extent the formation of Caterlink has tended to overshadow the efforts by TI Catering in sell direct to customers—a system of distribution it still uses where contracts are large and therefore economic such as public sector work (the company does an extensive business with the Admiralty for water boilers for example). This sort of business is large and specialised. TI Catering is adamant that it is simply uneconomic to apply the principles of direct selling to the general range of catering equipment.

Other major manufacturing companies have been updating their distribution systems, especially some of the big American companies who operate very competitively in this country. Hobart's, for instance, which is big in dishwashers and mixers and Foster which has a large stake in the refrigeration market. Among the other operations, the Glywed group operates through its Falcon catering equipment manufacturing subsidiary while Thorn Electrical has recently been reorganising

its operating companies.

One of them, Cripto Peerless, has recently been resisted at Bordsley Green in Birmingham following an overall expenditure of something like £2m bringing two previously separate manufacturing plants together. Cripto Peerless distributes most of its product lines through its own sales force which, numbering around 50, is one of the largest for an individual catering equipment company in the Thorn organisation. One of the Thorn manufacturers — ABR Food Machinery — tends to sell directly to the customer by virtue of the size of its products which are mostly too large to be handled by the traditional distribution system.

To contrast, Cripto Peerless needs to "sell" its products in the sense that they tend to be packaged as money and labour saving devices. So a fair amount of salesman back up knowledge is needed in describing the increased efficiency that such machines can bring. To sell a fish fryer or a potato peeling machine it is often necessary for a salesman to delicately point out that existing methods of peeling are outdated.

Exports have been the subject of a major sales push at Cripto Peerless in recent years and the company has managed to increase the ratio of its turnover over sold overseas to more than a third.

Jeffrey Brown

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# Overseas markets

LIKE OTHER industries, British catering equipment manufacturers have recently sought to boost their turnover by concentrating on export markets while domestic demand has been dampened by economic conditions. However, the fragmented nature of the industry has made this a risky business for some.

While it is clear that there are great opportunities in a number of overseas markets, both traditional and new ones, the expense for a small company to embark on an export drive has been daunting. On the other hand, it has paid off for some.

The future prospects for exports also remain bright, although it has become clear that supplying goods to developing countries in the Middle East and elsewhere is an activity where there are many pitfalls. What has become essential to success is reliability in delivery, product quality and pricing policy.

Although the tendency of these countries to order packages of equipment for new hotels or hospitals is not new, it appears likely that those suppliers best organised to offer a complete service such as this will be most successful in future.

According to figures compiled by the Catering Equipment Manufacturers' Association, roughly one-fifth of equipment sales are for export. In 1975 CEMA members produced goods worth nearly £50m, of which slightly more than £7m was exported. Last year the production figure rose to a value of £51.8m, of which £9.2m was exported. However, this does not take into account equipment bought by U.K. companies for export.

In 1975 the member companies also sold factored goods worth £1.3m. In overseas markets and last year this figure

rose to £2.1m. This reflects the need of suppliers to be able to sell a package deal, buying in other equipment from wherever may be necessary, sometimes from abroad. William Page of Shifeshire Avenue, Lodon, specialises in this approach. Although the company has experienced difficulties with customers ordering equipment at a late stage for hotels, for example, it has earned a reputation for being able to deliver on time. A recent success was a £100,000 order for the Holiday Inn at Sharjah, Oman, which followed an earlier and promptly delivered order for equipping a floating hotel off Sharjah operated by Holiday Inn.

Major markets for British companies continue to be traditional buyers such as Australia and more recently Nigeria, which tend to order to British specifications, thus discouraging Continental competitors to some extent. However, the metric requirements in Continental markets and the strength of domestic industries in European countries has prevented the industry from making more than token inroads into these markets. Some countries have also won such a good reputation for certain products, such as French kitchen knives, that competition appears to be valueless. On the other hand Britain has developed a good name for many general kitchen utensils such as pots and pans, ovenware and bar equipment.

There is a question mark over the progress by British companies into metrication, in that it opens the way into the highly competitive EEC market while perhaps creating problems in steady markets. But it is clear that to be successful in the longer term, companies must be able to compete on equal terms. Most companies in the field

### Standards

CEMA is a member of the European Federation of Catering Equipment Manufacturers, a body which meets once a year and also has standing committees considering various trade restrictions of a non-tariff nature. These include various European requirements for standards on gas and electrical appliances.

Although much has been done so far, it is clear that uniform standards are some way off and in the meantime British companies selling in Europe will have to conform to local requirements, which can have important cost disadvantages.

On the other hand this does have some advantage in that the British market has its own different set of standards and is thus protected to some extent, although these requirements are generally less rigorous. Overall, the level of imports into Britain has so far caused little concern to British manufacturers. Another reason for this

apparent lack of interest by foreign producers has probably been the comparative lack of demand in the U.K., which would have been disastrous to U.K. companies had they not been able to make up for it by selling abroad.

One basic advantage to exporters is the fact that few countries with relatively small demand for equipment of this kind, particularly in the heavier end such as kitchen installations, are likely to set up their own manufacturing industries. Even Australia, for example, has continued to import much of its own requirement rather than manufacture.

But there is an obvious need for far closer co-operation and communication between major buyers of kitchen packages, such as hotel groups, architects and construction companies to give more adequate consideration to the planning of orders.

With transport to many developing countries somewhat unreliable, and construction techniques sometimes less than perfect, many suppliers have expressed concern at the late stage at which kitchen planning is carried out. On occasions, companies have been invited to supply equipment for hotels where carpeting and furnishing has been completed and yet nothing done in the kitchens.

The industry's recent export performance has no doubt been assisted by the relatively low value of sterling, although many companies would deny this, but the present currency position is less favourable and likely to remain so if the economic position remains stable. For that reason exporting could prove more difficult in future, but most would agree that the value of visiting prospective customers (even at considerable expense) cannot be overrated.

Lorne Barling

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BY OUR COMMODITIES STAFF

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Brazil seeks coffee from Madagascar
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BY OUR COMMODITIES STAFF

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nations have completed a
draft document which could
result in the U.S., Canada, Aus-

Brazil seeks coffee from Madagascar
RIO DE JANEIRO, Sept. 13.

GRAINS
LONDON FUTURES (GAFTA) Market
opened between 25 and 40 points lower

SILVER
Silver was fixed 2 1/2 an ounce lower
for spot delivery in the London bullion

COCOA
Values eased in mixed trading after
steady opening reports GHI and Duffin

SHOOTS AND
FISHING
1-4 day shoots Southern and
Eastern Scotland, Northern

OVERSEAS
PROPERTY
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FARM IN TUSCANY
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Exporters formulate
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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., and others with their respective performance metrics.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity Funds, Kemp-Coo Management Jersey Ltd., and others.

Table titled 'BASE LENDING RATES' showing interest rates for various banks and financial institutions.

Table listing various financial services and companies, including insurance providers and investment managers.

Table listing various insurance and financial products, including life insurance and investment options.

Advertisement for 'FINANCIAL TIMES CINEMA' featuring a seminar on company meetings and reception, with details on ticket prices and contact information.

Advertisement for 'CLIVE INVESTMENTS LIMITED' providing details on their investment services, including a list of funds and contact information.

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FT SHARE INFORMATION SERVICE

HOTELS-Continued

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and % Change.

Shorts (Lives up to Five Years)

Table of Short-term investments with columns for Name, Price, and % Change.

Five to Fifteen Years

Table of Medium-term investments with columns for Name, Price, and % Change.

Over Fifteen Years

Table of Long-term investments with columns for Name, Price, and % Change.

Undated

Table of Undated investments with columns for Name, Price, and % Change.

INTERNATIONAL BANK

Table of International Bank investments with columns for Name, Price, and % Change.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and % Change.

LOANS (Miscel.)

Table of Miscellaneous Loans with columns for Name, Price, and % Change.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, and % Change.

AMERICANS-Continued

Table of American Stocks with columns for Name, Price, and % Change.

CANADIANS

Table of Canadian Stocks with columns for Name, Price, and % Change.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and % Change.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for Name, Price, and % Change.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and % Change.

AMERICANS

Table of American Stocks (Continued) with columns for Name, Price, and % Change.

BUILDING INDUSTRY-TIMBER AND ROADS

Table of Building Industry-Timber and Roads with columns for Name, Price, and % Change.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV with columns for Name, Price, and % Change.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and % Change.

AMERICANS

Table of American Stocks (Continued) with columns for Name, Price, and % Change.

DRAPERY AND STORES-Cont.

Table of Drapery and Stores-Cont. with columns for Name, Price, and % Change.

ENGINEERING-Continued

Table of Engineering-Continued with columns for Name, Price, and % Change.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Name, Price, and % Change.

CHEMICALS, PLASTICS

Table of Chemicals, Plastics with columns for Name, Price, and % Change.

ENGINEERING. MACHINE TOOLS

Table of Engineering. Machine Tools with columns for Name, Price, and % Change.

ENGINEERING-Continued

Table of Engineering-Continued with columns for Name, Price, and % Change.

INDUSTRIALS (Miscel.)

Table of Industrials (Miscel.) with columns for Name, Price, and % Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and % Change.

Table of Hotels and Caterers (Continued) with columns for Name, Price, and % Change.

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INDUSTRIALS—Continued

Table listing various industrial stocks with columns for Stock, Price, Div, and other financial metrics.

INSURANCE—Continued

Table listing insurance companies and their stock prices.

PROPERTY—Continued

Table listing real estate and property-related stocks.

TRUSTS—Continued

Table listing various trusts and their financial details.

TRUSTS—Continued

Table listing additional trusts and their financial details.

MOTORS, AIRCRAFT TRADES

Table listing stocks in the motors and aircraft trades sector.

Motors and Cycles

Table listing stocks in the motors and cycles sector.

Commercial Vehicles

Table listing stocks in the commercial vehicles sector.

Components

Table listing stocks in the components sector.

Garages and Distributors

Table listing stocks in the garages and distributors sector.

NEWSPAPERS, PUBLISHERS

Table listing stocks in the newspapers and publishers sector.

PAPER, PRINTING ADVERTISING

Table listing stocks in the paper, printing, and advertising sector.

PROPERTY

Table listing property-related stocks.

TOBACCO

Table listing tobacco-related stocks.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land-related stocks.

INSURANCE

Table listing insurance stocks.

PROPERTY

Table listing property stocks.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land stocks.

FINANCE, LAND, ETC.

Table listing finance, land, and other stocks.

INDIA AND BANGLADESH

Table listing stocks from India and Bangladesh.

DAIWA SECURITIES logo and header.

MINES—Continued

Table listing various mining stocks.

AUSTRALIAN

Table listing Australian stocks.

TINS

Table listing tin-related stocks.

COPPER

Table listing copper-related stocks.

Notes and miscellaneous information regarding the stock listings.

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Walker plea to heal Tory split on unions

By Philip Rawstorne

MR. PETER WALKER, former Tory Industry Secretary last night warned that divisions in the Conservative Party over industrial relations policy would be "damaging and disastrous".

standing between the Tory Party and the unions. Mr. Walker suggested that the Tory programme needed both Sir Keith's principles and Mr. Prior's practical realities. He put forward an eight-point programme which he claimed would unite the party and be seen by the majority of workers as being fair.

He concluded: "The Tory Party should encourage Jim Prior and his colleagues to ever-improve their personal relationships with union leaders and to give the party a genuine understanding of the legitimate aspirations of the trade unions."

Mr. Robert McCrindle, Tory MP for Brentwood and Ongar, also warned in a speech last night that the one factor which could prevent trade unionists giving their support to the Tory Party was the continuing fear of a confrontation between the unions and a Tory Government.

He called for a clearer statement of principle and approach on industrial relations issues. But he added: "It would be a mistake to assume that all that is needed is some stand on principle. The country will want evidence of practical ability to get on with the unions."

With a heated debate now in prospect at the Tory Party conference on the Granwick and closed-shop issues, Mr. Walker appealed for a "balance programme" for industrial relations, that would bring a new unity to industry.

"It will be disastrous if the Tory Party concentrates its attention and emotions upon the problems of any one employer or the activities of any one trade union leader, or indeed upon any one principle," he said.

There was no need for Mr. James Prior and Sir Keith Joseph, with their difference of emphasis on the Granwick affair, to become the "focus of a dangerous disunity."

Babcock to raise \$35m. with Eurobond issue

By Mary Campbell

BABCOCK and Wilco's engineering group, is to issue \$35m. (£20m.) worth of convertible Eurobonds.

The company's shares were suspended yesterday in advance of the new issue announcement which provides the occasion for the company's dividend controls. The Treasury has given permission for this year's dividend to total 5.25p, two and a half times last year's figure.

THE LEX COLUMN
The return of the forward premium

Forward sterling went to a convincing premium at all dates out to a year yesterday, and in the securities markets the bull market was continued in earnest. This emphasises once again how a depressed economy, a balance of payments surplus, and the consequent slack credit markets provide the classic background to rising share prices.



Back in 1959 forward sterling also went to a premium for a spell of a few months, coinciding with the later stages of the 1958-59 bull market. The only other period in which it has happened since then fell in the latter part of 1971, again coinciding with a bumper upsurge in security values.

Bakers' union leaders to keep up action against employers

By Pauline Clark, Labour Staff

HOPES OF AN early easing in the nation-wide bread shortage were dashed yesterday when union leaders decided not to let up their action against the big three bread-producers.

representing the bakery employers involved in the dispute. Union leaders expressed determination to keep up pressure on the federation after a two-hour executive meeting at their headquarters in Hatfield, Herts.

Confectioners and caterers, representing some 4,000 owners of small independent bakeries not directly involved in the dispute, failed to support the union leaders' approach.

Arthur Andersen plans Swiss move

By Michael Lafferty, City Staff

ARTHUR ANDERSEN, one of the largest of the world's "Big Eight" accounting firms, plans to move its international executive office from Chicago to Geneva.

The move, which would be completed within two years, is at least partly designed to mollify nationalist sentiment in European countries, where the "Big Eight" are frequently accused of being too American.

Babcock & Wilcox

Babcock and Wilcox is following the precedent set by Beecham by combining a convertible Eurobond issue with a share repurchase programme.

One oddity about the strength of sterling this year is that it has occurred without the current account yet going into the black, especially now that the statisticians have retroactively lopped a large chunk off the invisibles surplus.

What with last year's 17 per cent growth in pre-tax profit and the big push into "wonder drug" areas, the market had been talking its belief that Reckitt's share price was somewhat overvalued.

Lahore High Court releases ex-Premier Bhutto on bail

By Simon Henderson

PARISTANI politics took a new and unpredictable turn here today when the former Prime Minister Mr. Z. A. Bhutto, arrested on September 3 in a murder inquiry, was released on bail by the Lahore High Court.

Mr. Bhutto was released on bail and two sureties totalling \$9,000. Later, at the house of a friend in Lahore, he said he would be continuing in the election campaign and warned of the consequences of a possible alteration of the election date, October 18.

Mr. Bhutto's appearance in court had all the elements of a high drama. He had been brought into town at daybreak from the prison where he had been held. The road outside the court was cordoned off by barbed wire and steel-helmeted troops.

Private action

Editorial Comment Page 16

Inside the court, a large room with fans to cool the humid heat and decorated in a style reminiscent of Colonial India and Victorian Britain, correspondents and members of the Lahore High Court Bar Association crowded all available seats and the aisles.

'Big chance for oil equipment companies'

North Sea contract, Page 12

A WORLDWIDE horizon is open to British oil equipment companies, but they must prove themselves equal to the challenge. Lord Kearton, chairman of the British National Oil Corporation, said yesterday at the opening of the Aberdeen Europe exhibition in Aberdeen.

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Advertisement for NatWest Registrars Department, featuring a cartoon illustration of a man and a woman, and text describing their services for companies and local authorities.

Weather

Table with columns for location, weather conditions, and temperature ranges. Locations include U.K. TO-DAY, Channel, Lakes, Isle of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland, N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Highlands, Dry, sunny periods, rain possible later, Moray Firth, N.E. Scotland, Orkney, Shetland, Cloudy, rain at times, Outlook: Little change.

Space project ready to pay off

By David Fishlock, Science Editor

A DEMONSTRATION of European industry's ability to compete with the U.S. in the commercial use of space was due to begin here later to-night with the launch of the first European communications satellite.

CAPE KENNEDY, Sept. 13.

strong moral case for arguing that it was not their responsibility. OTS—an advanced project in certain respects even by U.S. satellite standards—has been built in schedule by the six-nation Mesh group led by Hawker Siddeley Dynamics, now part of British Aerospace.

CAPE KENNEDY, Sept. 13.

requirement is to demonstrate that European industry can build long life space systems, of potential interest both to post offices and to Third World nations interested in acquiring communications satellites.

CAPE KENNEDY, Sept. 13.

The most immediate non-European prospect is the proposed Arab communication satellite, planned to serve 23 Arab nations, for which bids may be invited next year. The Arab world has already allocated \$100m. to this Cairo-based project.

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